FINANCIAL TIMES

No. 26,811 Tuesday November 4 1975 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.70; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Lawyer survives car blast

Mr. Richard Charnley, a 34-year-old solicitor, escaped death when his Mercedes was ripped apart by a bomb underneath it as he was about to drive away from his home in Connaught Square, near Marble Arch, London.

Police suspect that the bombers' real target may have been Tory MP and public relations expert Mr. John Gorst, who recently moved from the square and has received a bomb threat.

Commander Roy Habershon, head of Scotland Yard's bomb squad, said the bomb seemed almost identical with the one which killed Professor Hamilton Fairley 11 days before. No warning was given of the blast, the 11th in London and the South-East since August.

Mr. Charnley underwent an operation on a broken leg and also had facial cuts. From his bed at St. Mary's Hospital, Paddington, he said: "I'm not too bad, thanks." Two other people were slightly hurt. Picture, Page 10

Surgeons fight to save Franco

General Franco underwent an operation to stop a serious stomach haemorrhage after Prince Juan Carlos and Prime Minister Carlos Arias had been called to his residence outside Madrid. Last night, the Caudillo's condition was officially stated to be "critical." Other Spanish news, Page 6, 7 and 8 and Back

Lloyd to retire as Speaker

Mr. Selwyn Lloyd, the Conservative Speaker of the House of Commons, has announced his intention of retiring during the present Parliament. He plans to *give up his office before the next* General Election, but the precise timing is still uncertain. The Commons is expected to elect Mr. George Thomas, the Labour Deputy Speaker, to succeed him.

New Army coup in Bangladesh

Communications with Bangladesh were cut in the wake of what appears to have been a bloodless coup, reasserting the power of senior army officers while leaving Khondkher Mushtaque Ahmed in office as President. The army leaders seem to have overthrown the junior officers who brought Ahmed to power in the August coup in which Sheikh Mujibur Rahman was murdered. Back Page

Court Line hope

Court Line holidaymakers, who have never been reimbursed thanks to legal wrangling, may get their money back now that the liquidators of Clarksons and Halcyon Holidays have agreed to a preliminary deal. Page 11

Pavilion charge

Art student Leonard Richard Kirzynowski, 22, was remanded in custody until November 11 at Brighton Court, charged with damaging the town's Royal Pavilion by fire.

Briefly . . .

Mr. John Stonehouse reaffirmed yesterday that he does not intend to resign his seat as Labour MP for Walsall North. Court hearing, Page 10

Patty Hearst will appear in a Los Angeles court to-day when a judge will rule whether she is on the verge of insanity or competent to stand trial on bank robbery charges.

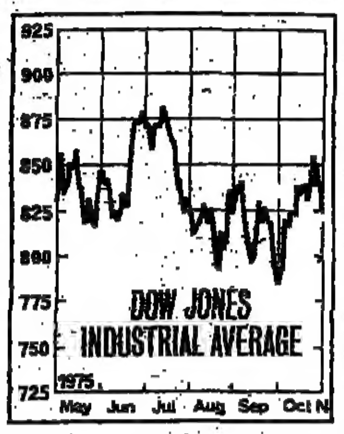
FT Clipper Race: Kriter II is still on the heels of GB II, which estimates that she will beat the old clipper record by a day. Page 2

Engine room worker died when fire damaged the National Environment Council ship Discovery, cruising in the Canary Islands.

BUSINESS

Wall St. off 10.32; gilts again improve

● WALL STREET closed 10.32 down at 825.72 on continuing fears of the financial failure of New York City. The market



also awaited President Ford's announcement of changes in his Administration.

● EQUITIES drifted down at the start of the new Account, but picked up later. The FT 30-share index, down 3.5 at 11 a.m., closed a net 0.7 lower at 350.5. GILTS again benefited from the trend of lower U.S. interest rates. Shorts gained up to ½. The Government Securities index rose 0.32 to 58.37.

● STERLING lost 30 points to close at $2.0755; its weighted depreciation widened to 29.2 (29.0) per cent. The dollar's fall also widened to 2.97 (2.91) per cent.

● GOLD gained 25 cents to $143¼.

Public spending 'out of control'

● U.K. PUBLIC EXPENDITURE is out of control says Mr. Wynne Godley, a former top Treasury forecaster. He argues that cash limits on departmental programmes are urgently needed. Back Page

● SHELL and P & O are to join Saudi Naft Corporation in forming a $10m. shipping company to transport crude oil and petroleum products. Page 18

● MERRILL LYNCH Pierce Fenner and Smith, the world's largest brokerage house, has been ordered by a New York State court to pay damages of $700,000 to an ex-client for investing his money in speculative securities against his wishes. Page 5

● BUILDING workers have asked for an immediate £6 rise. As their last increase was in July, this is a potential threat to Government pay policy. Page 12

● SLATER WALKER Insurance held cash of about £24m. in mid-October, London insurance brokers have been told in a drive to bolster confidence. Back Page

● JAPAN has agreed to help India set up a silk industry using raw silk from South Korea. Report from India Page 4

COMPANIES

● NFU DEVELOPMENT Trust has gained control of the Board of FMC, Europe's biggest meat wholesaler. Back Page

● BURMAH OIL has rejected as inadequate Thursday's offer from R. J. Reynolds Industries for its American oil and gas interests. Page 19

● C. H. BEAZER (Holdings), developers and contractors, reports marginally better pre-tax profits for the year ended June 30 at £1.61m. (£1.57m.) although the second half yielded only £93,000 (£641,000). Page 18

● MR. LUIS LUYT has raised his offer to the Bailey Trust for its 43 per cent. stake in South African Associated Newspapers from R4.5 to R6 a share. Page 20

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 8pc 1979 ...	£79	+ 5/16
Treasury 12¾pc 1995 ...	£85¼	+ ½
Anglo-Am. Asphalt ...	120	+ 10
Berry Wiggins ...	63	+ 7
Bowthorpe ...	37	+ 4
De La Rue ...	171	+ 6
EMI ...	226	+ 4
Hawthorn Leslie ...	51xd	+ 7
Hill (Charles) ...	85	+ 10
Inchcape ...	333	+ 7
LRC Intnl. ...	32	+ 3
McCorquodale ...	206	+ 4
Panto (P.) ...	23	+ 5
Parker Knoll "A" ...	49	+ 3
Petbow ...	155	+ 5
Pontin's ...	34	+ 2½
Slater Walker ...	26xd	+ 3½
Stellinboch Wine Tst.	390	+ 40
Strong and Fisher ...	68	+ 4
Tysons Construction	24	+ 6¼
Unilever ...	396	+ 4
Weyburn Eng. ...	325	+ 7
Yarrow ...	135	+ 4
Cons. Tea and Lands	380	+ 10
New Guinea Gold ...	35	+ 5
Northgate Explor. ...	240	+ 10
Pancontinental ...	685	+ 20
Phoenix Prince ...	10	+ 2

FALLS

Eagle Star ...	128	− 4
General Accident ...	157xd	− 5
Low (Wm.) ...	126	− 4
Movitex ...	7	− 3
Rank Org. "A" ...	157	− 5
Reardon Smith ...	375	− 10
Utd. Real Prop. ...	190	− 10
Western Board Mills	31	− 5
Blyvoor ...	640	− 30
Harmony ...	575	− 15
Libanon ...	710	− 20
Poseidon ...	145	− 10

Ford's changes aimed at boosting détente

BY PAUL LEWIS, U.S. EDITOR, Washington, Nov. 3

THE FORD Administration is now in the throes of a major political upheaval that will have an important impact on the conduct of U.S. foreign policy in the coming months, as well as on next year's Presidential election campaign.

In quick succession, Vice-President Rockefeller has said he does not wish to run for re-election next year while President Ford has summarily dismissed Dr. James Schlesinger, the Secretary of Defence, Mr. William Colby, the head of the CIA, and stripped Dr. Kissinger of his position as White House National Security Advisor—which he holds in addition to being Secretary of State.

In foreign policy terms, the result has been to remove a *persistent critic of the policy* of detente with the Soviet Union associated with Dr. Kissinger, and clear the way for a determined bid by President Ford for a new SALT agreement in the next few months, further limiting Soviet and U.S. nuclear arms.

In domestic politics, to-day's developments are likely to leave President Ford better placed to repulse a Right-wing bid for the Republican Party's Presidential nomination in next year's election by former Governor Ronald Reagan of California.

The only official development this morning was the publication of Vice-President Rockefeller's letter to the President, saying he did not want to be considered for the Vice-Presidential post in *next year's election campaign.* Mr. Rockefeller will serve until the end of the first Ford Administration in early 1977, but at the age of 67, it looks as though his career in Presidential politics is over.

The expectation now is that Mr. Donald Rumsfeld, currently White House Chief of Staff and a former U.S. ambassador to NATO, will replace Dr. Schlesinger at the Pentagon. Mr. George Bush, the U.S. envoy in Peking is likely to return to head the CIA, while his replacement may be Senator Hugh Scott, the senior Republican in the Upper House and a student of Chinese art and history.

The Post of National Security Advisor at the White House, vacated by Dr. Kissinger, is expected to go to his former deputy, General Brent Scowcroft —*a professional officer who has* served under Dr. Kissinger since General Alexander Haig was made President Nixon's Chief of Staff following the resignation of Mr. H. R. "Bob" Haldeman at the height of the Watergate Affair.

So far as U.S. foreign policy is concerned, the departure of Dr. Schlesinger will remove a persistent critic of Dr. Kissinger's detente policies with the Soviet Union and a man who has appeared particularly worried about the Secretary of State's handling of the SALT negotiations.

Whether a new agreement is possible before the onset of the U.S. election campaign and the 25th Party Conference in Moscow, is a matter of dispute.

But Dr. Schlesinger's replacement at the Pentagon by a proven Ford loyalist like Mr. Rumsfeld, should remove one obstacle to Dr. Kissinger's efforts to find a formula acceptable to both governments in the short negotiating season that remains. The Americans have already told Moscow that next February is the deadline for agreement this side of the elections and a determined effort to meet it now seems on the cards.

As regards the domestic political calculations involved in this shake-up, President Ford remains extremely worried that he may do badly in next year's primary campaigns against the expected right-wing challenge from Governor Reagan—and that he could lose the party nomination as a result.

Therefore the President has moved decisively to strengthen his appeal to the Right. Vice-President Rockefeller, who is regarded as too liberal by much of the party, is standing down—a particularly important point since he has upset the Right-wing yet again recently by supporting Federal aid for New York City. Elsewhere, the President has tried to make his Administration look more efficient by removing dissenters and figures of controversy.

Dr. Kissinger may seem the winner in policy but many people both on the Right and the Left fel he is too powerful. The loss of his National Security Advisor's job is a gesture to them. Similarly, those who felt Mr. Colby has co-operated too much with Congresional probes of the CIA will be pleased by his dismissal—while moderates worried by Agency excesses *will be* pleased, that it is to have a new head, appointed from outside.

The departure of Dr. Schlesinger might have upset the Right wing some time ago, for he is a fir mbeliever in a strong defensive policy and suspicious of detente. On the other hand, he has recently irritated the Right wing of the Republican party by vigorously opposing defence spending cuts which they regarded as politically necessary.

There remains, of course, the big dispute within the Administration over economic policy—and whether first priority should go to reducing inflation or unemployment. The Treasury Secretary, Mr. William Simon, remains a fiscal conservative, strongly opposed to further reflation. But if the present economic upswing falters in the coming months, few would be surprised to see changes in his department too.

Ford's anxiety growing, Page 5

The Queen, watched by BP chairman Sir Eric Drake (left), presses the button to start the Forties Field oil flowing to Grangemouth.

Queen sets oil flowing

BY RAY DAFTER

BRITAIN became a major oil producer in its own right yesterday as the first of the Forties Field crude was pumped through BP's pipeline system to the Grangemouth refinery in Scotland.

The Queen pressed the button to set the production process in motion. The Prime Minister, Cabinet members and 1,000 other guests were assembled at Dyce, near Aberdeen, to witness the ceremony.

It was the day that the first major field in the U.K. sector of the North Sea started yielding its oil to repay the massive exploration and development costs; the day that Britain took its first real step to becoming self-sufficient in energy by 1980.

The initial flow of oil was at the rate of 40,000-50,000 barrels a day. In two years, the throughput should have risen to around 400,000 barrels a day—about a quarter of Britain's oil needs.

The Forties Field venture is costing BP some £750m. The Queen described the fulfilment of this achievement as of "outstanding significance in the history of the United Kingdom."

Mr. Harold Wilson also saw it as a milestone in history. Britain was becoming an energy-producing nation at a time when it was fighting for *economic survival and advance.*

Exploration was continuing, Mr. Wilson declared, and while Britain was gaining an increasing proportion of the orders for equipment and supplies, more orders were needed, particularly in Scotland and the North of England.

The development of the North Sea reserves is likely to have a significant impact on imports into Western Europe, according to reports now circulating in the oil industry.

The rising availability of these indigenous supplies seems likely to postpone well into the 1980s any return to Western Europe's 1973 level of crude oil imports from OPEC countries, for instance.

Start-up of the Forties Field operations follows within a fortnight the inauguration of the pipeline and terminal system linking Teesside with the Phillips group's Ekofisk Field in the Norwegian sector of the North Sea.

Although the Ekofisk programme has been hit, to some extent, by the week-end explosion on the Alpha platform, by 1978 the two pipelines alone should be moving 1.2m. barrels a day.

With other fields due to come on stream in the next year or so, the total output should exceed 2.2m. barrels a day by 1978.

According to Petroleum Intelligence Weekly, imports of OPEC oil into Europe have dropped by about 3m. barrels a day since 1973. North Sea output could thus well climb as rapidly as the eventual recovery in oil demand —at least up to 1980.

While producers of the initial flow of British North Sea crude *oil are not at present offering* any on-the-spot market, they are said to be thinking of a price of around $12.45, the same as that being asked for Norwegian Ekofisk crude.

This would put the U.K. crude, delivered to Rotterdam, on a competitive footing with the average delivered cost of Arabian Light and Libyan Es Sider crudes.

BP will draw the last £70m. of its £370m. bank borrowing for the Forties Field development in January, it was learned yesterday.

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Chrysler stewards threaten sit-in as crisis talks begin

BY JOHN WYLES AND TERRY DODSWORTH

THE CRUCIAL talks between the Government and the senior Chrysler executives on the threatened future of the company in Britain will continue "as a matter of urgency" to-day.

In a statement issued last night after three hours of negotiations at Chequers between a Government team headed by the Prime Minister and a Chrysler team led by Mr. John Riccardo, the U.S. company's chairman, Downing Street said the talks would be continued by Mr. Eric Varley, the Industry Secretary.

At the same time, a solid front of resistance to any total shutdown by Chrysler was emerging among the company's shop stewards.

They warned that any attempt to withdraw plant and equipment from Britain would be countered by *a campaign of* resistance which could include an occupation of the main plants in Coventry and Linwood in Scotland.

After a day of rumours about the timing of Mr. Riccardo's arrival, the talks were switched at the last moment from Downing Street.

Mr. Wilson, travelling down from the opening of the Forties oil field pipeline in Scotland, was accompanied at the talks by Mr. Eric Varley, Industry Secretary, and Mr. Edmund Dell, Paymaster-General.

Mr. Gilbert Hunt, chairman of Chrysler U.K., represented the British subsidiary in the Chrysler team.

MPs are now bracing themselves for a battle to save the Chrysler factories in Britain, in the knowledge that Government money must almost certainly be pumped in to do so.

Even to launch one of the new models which the company needs to win back business would cost £25m. at a conservative estimate, and a full new model programme such as British Leyland now has in train would easily cost four times that figure.

Chrysler's immediate problem, *if it insists* on a full, or even a partial withdrawal on the lines which Mr. Riccardo indicated last week, is to negotiate its way out of the repeated commitments it has given to remain in the U.K. and maintain the business.

Crucial

Meanwhile, the main car industry unions were preparing yesterday for to-morrow's crucial meeting with senior Chrysler management which is expected to clear away at least some of the uncertainty about its future plans.

Mr. Grenville Hawley, the Transport and General Workers' Union's automotive group secretary, yesterday called on Mr. Riccardo to meet national union officials and shop stewards "at the earliest possible moment."

With arrangements already completed for to-morrow's crisis talks in Coventry, he suggested this would be a suitable forum for Chrysler's chairman to reveal his plans.

With all the speculation focusing on the possibility of total withdrawal, many Chrysler shop stewards appear to be thinking that the best they can hope for is a redundancy programme which would be considered savage at any other time.

Mr. Bob Morris, shop stewards' spokesman at the Stoke engine plant in Coventry, said they had already been warned that redundancies were inevitable and it was feared that dismissals could cut the 26,000 U.K. labour force by half.

Blockade

After a three-hour meeting of Stoke shop stewards had conducted an anxious discussion of the present crisis, Mr. Morris said it had been agreed that *if* Chrysler decided to pull-out of Britain, "*they would go empty-handed.*"

Tactics discussed by shop stewards included an occupation and a possible nationwide blockade on the movement of Chrysler plant and equipment by transport workers.

"Any steps needed would be taken. All shop stewards at the Chrysler U.K. factories would be involved," Mr. Morris said.

"But we still have hopes over the promises that Chrysler have given over the years about staying here. We are fearing, however, a total pull-out."

A similar hard line emerged from a meeting of shop stewards at the Linwood plant yesterday where it was agreed that a closure decision would be met with a workers' occupation.

Mass meetings of workers at all the main plants will be called *before the week-end to hear a* report on Wednesday's top-level meeting with management and, *if* necessary, to endorse the resistance tactics.

Meanwhile, national union officials will have to decide their policy in the light of Chrysler's decisions. If the company does announce a total shutdown, then *their first reaction is bound to* be a request for an urgent meeting with the Prime Minister to discuss possible Government intervention.

Lex, Back Page

Lords defiant over Press Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE LORDS moved a step nearer the threatened confrontation with the Government last night when they passed Conservative amendments putting some legal teeth behind the proposed charter on Press freedom.

The amendments, moved by Lord Hailsham, a former Lord Chancellor, accept the Government's plan for a tribunal to supervise the charter but propose that it should be empowered to order compensation for people suffering loss through a breach of the charter.

Any decision by the tribunal would be final and would be enforceable in the same way as an arbitration award under the Arbitration Act of 1950.

Against the advice of Lord Elwyn Jones, the present Lord Chancellor, who argued that the effect of the amendments would be to re-introduce the law into trade union affairs, the Lords passed them by 162 votes to 73, *a majority of more than 2-1.*

The Trade Union and Labour Relations (amendment) Bill whose voluntary Press charter provisions as proposed by the Government have now been radically strengthened by the Lords, returns to the Commons on Thursday.

All the indications are that the Government will continue to reject any attempt to give the charter legal backing, and the Lords will have a final opportunity to climb down on November 11, the day before the present session of Parliament ends.

If the Lords still stick by their amendments, as Lord Hailsham yesterday insisted they would, the Bill will fall because of lack of time. The present intention of Ministers is to reintroduce early in the next session the Bill in its original form.

If the Lords once more insist on opposing the Bill—although they will have no further power to amend it—the Government will be able to invoke the Parliament Act which overcomes the Lords' delaying powers and bring the legislation on to the statute book early next year.

Lord Goodman, a crossbench peer and current chairman of the Newspaper Publishers Associa-

Continued on Back Page
Parliament, Page 14

£ in New York

—	Nov. 3	Previous
Spot	$2.0754-0759	$2.2808-0812
1 month	0.53-0.84 dis	0.88-0.83 dis
3 months	2.59-2.54 dis	2.58-2.53 dis
12 months	8.18-8.08 dis	8.15-8.10 dis

FEATURES

ON OTHER PAGES

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LOMBARD

Global central bank trap

BY C. GORDON TETHER

THE International Monetary Fund's increasing identification with the theme that the Bretton Woods system is irretrievably dead has implicitly presented it —remembering that it exists primarily to supervise and police the functioning of the world's monetary machinery—with a considerable challenge. It is to suggest what should take its place. For it would obviously be the last word in unhelpfulness for the IMF to undertake to engage in such negative pursuits as reducing the role of gold unless it was willing to propose alternative arrangements.

So it was not surprising to find managing director Witteveen responding to the invitation to address last week's International Financial Business Outlook Conference with a long dissertation on the future of international liquidity.

There is always a danger, he pointed out, that pre-occupation with the problems of the hour may prevent us from standing back and taking time to chart the course of the next few years. And he therefore intended to take this opportunity "to discuss the role played by public and private international liquidity in the world economy and consider ways in which the international community might be better able to manage these resources."

Gold's role

It was not, it has to be said, a very courageous exercise. To begin with, he was not prepared to stand back far enough to admit that, far from reducing the role of gold, the recent international agreement abolishing the old parity and finding new uses for the Fund's own stock is calculated to bring it back into the monetary picture.

How can it be otherwise when it will have the effect of raising the gold element in the international liquidity stock from a fifth to almost a half and end the previous five-year-old near-freeze on official transactions in gold?

By comparison with the existing theoretical position, the new agreement might seem to carry demonetisation a stage further. By comparison with the reality —which is that gold had become more or less completely demonetised as a result of the Fund's tacit connivance at U.S. policies having that end in view—it is very much a step in the opposite direction.

And when it came to standing back to look at the future, Mr. Witteveen clearly felt impelled to proceed with the greatest circumspection—for example, in relation to the question of doing away with the reserve asset in which the U.S. has a large vested interest—for fear of treading on the sensitive toes of its largest and most influential members.

However, he did eventually get round to making the point that something ought to be done to bring the global level of international reserves under control because, unless it was, badly behaved countries would always be able to dislocate the economies of others. And he conceded—in a masterly piece of understatement—that the spectacular growth of the reserve currency element in the international liquidity stock represented by the dollar "had probably played a role in triggering off the world-wide economic boom which led to the recent inflationary explosion."

Having thus tried to establish that the introduction of meaningful international disciplines over reserve creation would be a good thing, he went on to suggest that the best way to bring it about would be by concentrating both the gold and the reserve assets portions of the international liquidity stock within a new look IMF so as to pave the way for an SDR-based system.

And if the nations were not prepared to embrace such a far-reaching change all at one go, Mr. Witteveen said, they might perhaps be induced to make a start by agreeing to hold a minimum proportion of their international reserves in the form of SDRs. Which, he suggested, would put the Fund in a position to achieve international management of the global amount of world reserves by adjusting the aggregate volume of SDRs and varying the minimum proportion of reserves to be held in this form by member countries.

Nothing, it may be argued, could be worse than the system —for want of a better word—the world has had to make do with in recent years. But the starting point for any reform exercise must surely be that the new order will not lend itself to the manipulation by the heavy-weights for the benefit of the heavy-weights that has characterised the Bretton Woods era.

There is no difficulty in seeing that Mr. Witteveen's global central bank could serve merely to perpetuate—if not accentuate —this defect. Unless he can show how it can be prevented from opening the door to world government by the powerful through the financial route, it is hardly something that can be taken very seriously.

RACING BY DARE WIGAN

A True Shot for punters

PUNTERS AT Lingfield who have fared badly in the earlier races may recoup losses in the Rotherfield Plate (4.15) this afternoon by supporting *True Shot*, a colt by On Your Mark, who cost 13,000 guineas as a yearling.

True Shot has run twice; first, when fourth behind Petalca at Goodwood in September; and, second, when occupying an identical position behind Suncharmer Lighter and Bill's Song at Newbury. I think he will be too good for Catterick winner, Brands Hatch, who missed a race here yesterday.

Judged on form shown at the Newmarket October 1 meeting, *Sarong* is a logical selection for the Pheasant Stakes (2.15), for Ian Walker's filly fairly backed up in the Several Stakes from Windy Glen and West Two.

Moreover, although started at 20—1, she did not run unfancied and I met several people who had reason to back her, one of whom obtained 50—1 to his money. Among those who finished in the ruck that day, was *Tolmiros*, a colt by Lorenzaccio, who was making his first appearance on a racecourse, and anyone who watched the race carefully, could not have failed to have been impressed by the way in which he ran.

Sure enough, less than three weeks later, he turned out at Sandown and defeated Levinda, who had won her previous race without having to be asked a question. I expect him to turn the tables on Sarong here.

LINGFIELD

2.15—Tolmiros**
2.45—Melion
3.15—Night Sky
3.45—Liberty Lawyer
4.15—True Shot***

LEICESTER

2.30—Panorealm*
3.00—Sans un Ami
3.30—Jeanie Duff
4.00—Bamba

Geoffrey Lewis who rides Tolmiros, partners Night Sky for S. Ingham's Epsom stable in the Lullenden Handicap (3.15), and, provided that *Night Sky* is none the worse for his bold effort against Mr. Bigmore in the Manchester Handicap at Doncaster, I shall expect him to concede weight successfully to Tudor Crown.

Liberty Lawyer, successful here yesterday, can defy a 5 lbs. penalty in the Pembury Handicap (3.45) for he is still 2 lbs. better in at the weights with Kiyoswanee who, in my view, was fortunate to have defeated him at Newbury 12 days ago.

Assuming that *Panorealm* behaves with decorum, he is the probable winner of the Pytchley Plate (2.30) at Leicester, for this colt, trained by Michael Stoute, at Newmarket, is, in my view, a class above Trample and Codebreaker.

Sans un Ami a medium of an unsuccessful gamble when touched off in the closing stages at Haydock last month, can retrieve losses in the Autumn Claiming Stakes (3.0). Jeanie Duff a winner over the distance at the last meeting here, may repeat the process in the Fosse Way Handicap (3.30).

And *Bamba*, a superbly-bred filly by Busted, would only have to consent to do her best in order to win the Hoby Maiden Fillies' Plate (4.0).

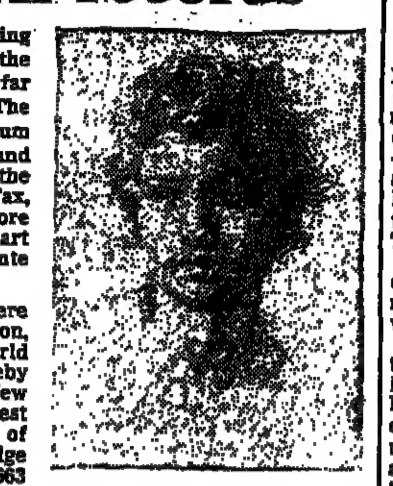
SALEROOM BY ANTONY THORNCROFT

New York records

LONDON is in danger of losing its position as the centre of the world art market, at least as far as auctions are concerned. The 10 per cent. buyers' premium imposed by Sotheby's and Christie's this season, and the uncertainty of the Wealth Tax, have resulted in more and more of the important works of art being sold off in Geneva, Monte Carlo or New York.

Yesterday, there were unimportant sales in London, while Sotheby's reported world record prices at its Sotheby Parke Bernet saleroom in New York. These came in the latest auction from the collection of Geraldine Rockefeller Dodge which has brought in £2,727,663 to date. There are two more sales to come.

The highest price, and a new record for an American bronze, was the £72,115 given by an Indiana collector for the "Passing of the Buffalo" which was created for Mrs. Dodge's garden in the early 1930s by the American sculptor Dallin. Another good price was the £55,288 for a painting by the 19th century artist Bierstadt, "A view of the Hudson." There was also an auction record for a work by the sculptor A. Phimister Proctor, £24,159 for an Indian warrior on horseback. All told there were eight records in a sale which totalled £631,995.



Head of St. John the Baptist by Andrea del Sarto drawn in black chalk. Drawings by del Sarto, an early 16th-century Florentine master, are very rare and only two others remain in private hands. This one comes from the collection of W. Drury Lowe (expected to make between £15,000-£30,000.

In Bond Street, Sotheby's sold books for £85,104. The best prices were for Gould's profusely illustrated Birds of Great Britain. One set sold for £6,000 to Sabin and another, perversely a first edition, made £5,800 to Askew.

FT CLIPPER RACE

Yachts near Sydney

DESPITE PROBLEMS with contaminated food—the crew are now eating great quantities of condensed milk and marmalade —the French yacht Kriter II is still chasing Britain's Great Britain II in the final stages of the first leg of the Financial Times Clipper Race to Australia.

Both yachts have until Saturday to beat the old clipper record of 69 days and both are within striking distance.

They are now beating towards the Bass Strait and GB II's latest estimated arrival day is Friday. However, she now has only "one and a half" of the nine spinnakers she began with and several other sails have taken a severe beating.

CS e RB II and The Great Escape are well behind and just beginning their slalom across the southern Indian Ocean.

Birmingham shuttle

A commuter air link between Birmingham Airport and London Heathrow began yesterday with three return trips daily by British Midland Airways and one by British Airways. Intended mainly as a feeder service for passengers making longer journeys, the flights will also serve the new National Exhibition Centre near Birmingham Airport.

WINE

Piedmontese red wines

BY EDMUND PENNING-ROWSELL

IN TERMS of wine Piedmont usually conjures up Barolo and Barbaresco—and, in a different context, Asti Spumante. However, another significant Piedmontese wine-growing area lies in the province of Novara. Here, too, the better table wines are red, and those entitled to Denominazione d'Origine Controllata (DOC) status are basically made from the Nebbiolo grape, which to north Italian viticulture is what Pinot Noir is to Burgundy.

Although a certain amount of ordinary wine is grown on the great Po plain surrounding Novara itself, this is largely given over to other forms of agriculture, notably rice; and not to be overlooked is the excellent Gorgonzola, on the spot a deliciously creamy if definitely flavoured cheese that goes well with the tannic local wines.

Co-operatives

Serious wine-growing really begins on the low but steep-sided Caramino hills that thrust out like a finger from the foothills of the Alps. These are the Colli Novarese, which is also the name of the co-operative (*Cantina Sociale*) at Fara, one of the communes entitled to the DOC appellation. The others are Ghemme, Sizzano and Boca; and really in the same group but administratively in the adjoining Turin province is Gattinara. There is another co-operative at Ghemme-Sizzano and a small one at Gattinara, where the wine's renown provides more opportunities for the private grower than among the less-known Novarese wines. So 60 per cent. of DOC Fara is produced at the co-operative.

Indeed, how substantial the relatively new Novarese co-operatives are is shown by the fact that the Colli Novarese one, which started only in 1954 with 350 members and now has 850, with a capacity of 100,000 hl, which must be measured against total average production of wine in the province of about 150,000 hl.

The Sizzano-Ghemme co-operative, started in 1960 has 240 members, but its proportion of DOC wines is much higher than at Fara: 80 per cent. compared with only 10 per cent. The rest are the *vini comuni*, usually bearing grape names such as Bonarda (red) and Vespolina (red) and Barengo or Greco (white).

On the other hand, Spanna is the local name for Nebbiolo, especially at Gattinara, while Nebbiolo is said to derive from *nebbia*, the Italian for fog, on the grounds that it is harvested late in possibly foggy autumn conditions.

Although the blend of the Novarese reds is based on the Nebbiolo, the proportions stipulated vary. Fara legally has the lowest percentage: 30-50 per cent. Sizzano has 40-60 per cent., Boca 45-70 per cent. and Ghemme 60-80 per cent. The balance is made up with Vespolina and Bonarda, the former usually predominant. Gattinara is practically all Nebbiolo (Spanna), but up to 10 per cent. of Bonarda di Gattinara may be included. Nebbiolo gives the body, fruit and tannin. Vespolina produces a softer wine, while Bonarda, which on its own can with some age be an agreeable plummy wine, has a reputation for its aroma.

If one were placing these wines in terms of quality, Gattinara would certainly be placed first, then Ghemme, Boca, Sizzano and Fara in that order. Not of course that the local champions of their own wine would accept that classification.

Boca is grown on the same line of hills as Gattinara, but the local climate is said to be colder, and the wines are less rounded and fruity. It is a very small area with only a handful of growers marketing their produce, plus what may be called week-end growers. Total output is less than 500 hl. a year, whereas the comparatively broad sweep of the Gattinara hillside vineyards yields about 4,500 hl., much more than any of the other DOC wines in the district.

Hillside vineyards

These hillside vineyards are attractively sited, fringed by woods below them and affording wide views across the plain to the south. DOC Gattinara comes from the higher slopes, while the lower are allowed only the grape-name, Spanna, on their labels. Spanna is also grown elsewhere in the Novarese area.

Ghemme claims greater style and character than Sizzano; much depends on the grower. On the spot I sampled some agreeably fruity Ghemmes, and others too acid. Fara develops faster than the others, while Boca has a good deal of tannin and takes longer to mature. All these are strong wines. Last year Gattinara was up to 14°, and usually exceeds 13°. It is rarer to find any of the wines mentioned here at less than 12.5°, which is strong by French standards. So it pays to open bottles well in advance, especially Gattinara.

If Gattinara and Boca are generally the biggest wines, all have a good deal of tannin, and to counteract this are obliged to remain in wood for specified periods: Fara, Sizzano and Boca three years, Gattinara and Ghemme four years before bottling. And thereafter they really need a couple of years in bottle to show at their best. The vintages most agreeable to drink to-day are probably '67 or '68, though the finest if one can still find it is '64. 1970 is good, 1971 promises well, '72 was poor, '73 passable, but it is generally believed that in due course '74 will turn out exceptionally well.

Visitors to the region will enjoy sampling and comparing these wines, and they should be found in restaurants around the nearby lakes of Maggiore, Varese and Orta. Their chief export market is Germany, followed by Switzerland, but while no doubt also to be picked up in Soho, in Britain none but Gattinara is at all well-known. For all their DOC status these are in essence good local wines, made with varying degrees of skill and success.

By Italian standards they are not particularly cheap, for all need a considerable maturing period, thus tying up expensive capital. Although the *vini comuni*, sold with grape names, are not dear, the DOCs range ex-cellars from L700-1,000 (50p-70p), and I tasted an excellent Gattinara '70 with a trade price of L1,200 (85p). In local shops they will cost L200-300 more.

However, such apparently modest prices on the spot do not result in very moderate ones here. Even at the lower end, after expensive freight in bottle, duty and profit margins here, this means wines retailing at £1.50 to £2 a bottle, at which point they meet heavy competition from France.

Heavy duty

The future of such Italian wines here—and there are scores of others similarly placed —must lie in the downwards harmonisation of duties promised by the EEC. Since our last Budget increases, on a bottle selling at £1 the Government takes over half this amount; and almost one-third of a wine retailing at £2. The higher the duty-VAT element the harder it is for the lesser wines to compete, except those vins ordinaires that are almost a drudge on the market. These Piedmontese wines are decidedly above that level. The growers there complain of a lack of publicity for their wines, compared with those of France, but much more effective than wine promotion would be duty demotion.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 12.30 p.m. Bilidowcar. 12.55 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.02 For Schools, Colleges. 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Animal Magic. 5.05 John Craven's Newsround. 5.15 The Record-breakers. 5.40 The Magic Roundabout.
5.45 News.
6.00 Nationwide.
6.50 Tarzan.
8.05 Oil Strike North.
9.00 News.
9.25 Play for To-day.
10.40 To-night.
11.15 Milestones in Working-class History: New series.
11.40 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—2.40-3.00 p.m. For Schools in Wales. 6.00-6.50 Wales To-day, followed by Nationwide. 6.50-7.15 Heddiw. 7.15-7.40 Pen Draw'r Byd. 7.40-8.05 To-morrow's World. 9.25-10.10 The Wallabies in Wales: Llanelli v. Australia. 10.10-10.40 Sawubona. 11.15-11.40 Dewch i Siarad. 11.40 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.15-11.40 Guidance and Counselling (new series). 11.40 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.40 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth)

BBC 2

11.00 a.m. Play School.
2.00 p.m. Parents and Children
3.30 The Do-It-Yourself Film Animation Show.
6.40 Ensemble.
7.30 Newsday.
7.50 The Book Programme.
8.15 Floodlit Rugby League for the BBC 2 Trophy: Leeds v. Warrington or Wigan.
9.00 The Musical Time Machine.
9.50 International Pro-Celebrity Golf: Great Britain v. U.S. —Peter Oosterhuis, Bruce Forsyth v. Tom Weiskopf, Efrem Zimbalist Jr.
10.40 The Old Grey Whistle Test.
11.20 Newsnight.
11.35 Gary Watson reads "Two Look at Two" by Robert Frost.

LONDON

9.30 a.m. Schools. 12.00 Paper-play. 12.10 p.m. Mr. Trimble. 12.30 Regional Flavour. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 A Raging Calm. 3.55 General Hospital. 4.25 Look Alive. 4.50 Magpie. 5.20 The Ghost and Mrs. Muir.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Tuesday Star Movie: "The Hunters," Robert Mitchum, Robert Wagner, Richard Egan.
9.00 The Nearly Man.
10.00 News.
10.30 Black Water—Bright Hopes.
11.30 His Face is Familiar—What's He Done?
12.00 Conscience Without God.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 Anglia News. 2.00 Let's Face It. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 Tuesday Movie: "Emergency!" 11.30 Reflection.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Around the World in 80 Days (cartoon). 6.00 ATV Today, including Police Five. 7.00 Cartoon Time. 7.10 Tuesday Movie: "Panic in the City." 10.30 Oil from Scotland with Love. 11.30 Gardening Today. 12.00 Father Paschal.

BORDER

1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Beachcombers. 6.00 Border News and Lookaround. 7.00 Betty Boop. 7.15 TV Movie: "Molly and Lawless John." 10.30 From Scotland with Love. 12.00 Border News and Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News, What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 TV Movie: "The Harness." 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Houseparty. 5.20 Wait Till Your Father Gets Home. 6.00 Grampian Today. 6.10 The Brady Bunch. 7.00 Cartoon Time. 7.15 TV Movie: "The Mask of Sheba." 11.30 Ski-ing with Gina. 12.00 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 3.15 What on Earth? 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.00 Tuesday Film: "She Wore a Yellow Ribbon," starring John Wayne. 12.00 Alfred Hitchcock Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.20 Report Wales. 6.40 Survival. 7.10 Tuesday Film: "Foxfire," starring Jane Russell, Jeff Chandler. 11.30 Arts Bazaar.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.20 Y Dydd. 6.40-7.10 Sale of the Century. 10.30-11.15 Dan Sylw. 11.15-11.30 O'r Wasg. 11.30-12.00 World in Action.

HTV West—As HTV General Service except 1.20-1.30 Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Nature in Retreat. 7.00 Love American Style. 7.30 The Tuesday Movie: "Panic in the City." 11.30 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 Tuesday Film: "Lock, Stock and Barrel." 11.30 Firehouse. 11.55 Southern News Extra. 12.05 a.m. Weather followed by Guideline.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 7.15 The Mask of Sheba. 11.30 The Greatest Fights of the Century. 11.40 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 Castaway. 6.00 UTV Reports. 7.00 The Ghost and Mrs Muir. 7.30 Tuesday Movie: "Ten Seconds to Hell," starring Jeff Chandler, Jack Palance.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 TV Movie: "The Harness." 11.30 Westward Late News. 11.35 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Mr. and Mrs. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Sylvester and Tweety. 7.15 The Mask of Sheba.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Paul Burnett. 12.00 Johnnie Walker. 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S). 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 Good Listening (VHF). 2.02 p.m. David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland): 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Three in a Row. 7.30 Robin Richmond (S). 8.02 Among Your Souvenirs (S). 9.02-11.30 Big Fight Special (1,500m only, also 202m Scotland). 9.02 The Songwriters (S) (VHF only). 10.02 Ian Carmichael's Music Night (S) (VHF only). 11.22 Sports Desk (1,500m only, also 202m Scotland). VHF joins Radio 2. 11.05 Colin Berry (1,500m only, also 202m Scotland). VHF joins Radio 1. 12.00-12.05 a.m. Midnight Newsroom.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture. Concert: Berlioz, Shostakovich, Liszt, records (S). 8.00 News. 8.05 Morning Concert: Handel, Albinoni, Boccherini, Bononcini, records (S). 9.00 News. 9.05 This Week's Composer: Schumann records (S). 9.50 Academy of the BBC. Concert: Mozart, Lambert, Beethoven (S). 10.50 Mozart. Chamber music concert (S). 11.15 Schutz at 28: Last of three concerts (S). 12.15 p.m. Cardiff Midday Prom: Concert, part 1: Rimsky-Korsakov, Prokofiev. 1.00 News. 1.05 The Arts Worldwide. 1.20 Cardiff Midday Prom: Concert, part 2: Tchaikovsky. 2.10 Music in Our Time: Concert: Giles Swayne, Rudolf Escher, Anthony Gilbert, György Kurtág, Bill Hopkins (S). 3.15 Orchestral Concert: Glinka, Mozart, Lalo, records (S). 4.10 Monteverdi and Buxtehude (S). 4.55 Jazz To-day, records (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 Music in Question (S). 8.00 Beethoven's 9th: Concert, part 1: Mozart (S). 8.30 An End to World Recession: talk. 8.50 Concert, part 2: Beethoven (S). 10.10 The Man on the Hill: A monologue of the writings of Richard Jefferies, with Paul Scofield. 11.10 Villalobos: Guitar recital, records (S). 11.25-11.30 News.

RADIO 4

285, 330, 434m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News and Weather. 7.00 News, more of To-day: 7.27 Sports Desk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News and Weather. 8.00 News, more of To-day: 8.27 Sports Desk. 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way. 11.45 John Ebdon. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just a Minute. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour. 2.45 Listen with Mother. 3.00 News. 3.05 Great Expectations: part 7 (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. 6.00 News. 6.15 My Word! (S). 6.45 The Archers. 7.00 News Desk. 7.30 David Niven talks to Benny Green. 8.00 My Kind of Music. 8.45 Danger—Hazardous Substances. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News preceded by weather. 11.51 Inshore Forecast.

Radio 4 VHF—For Schools 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run. 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2.

London Broadcasting

261m and 97.3 VHF

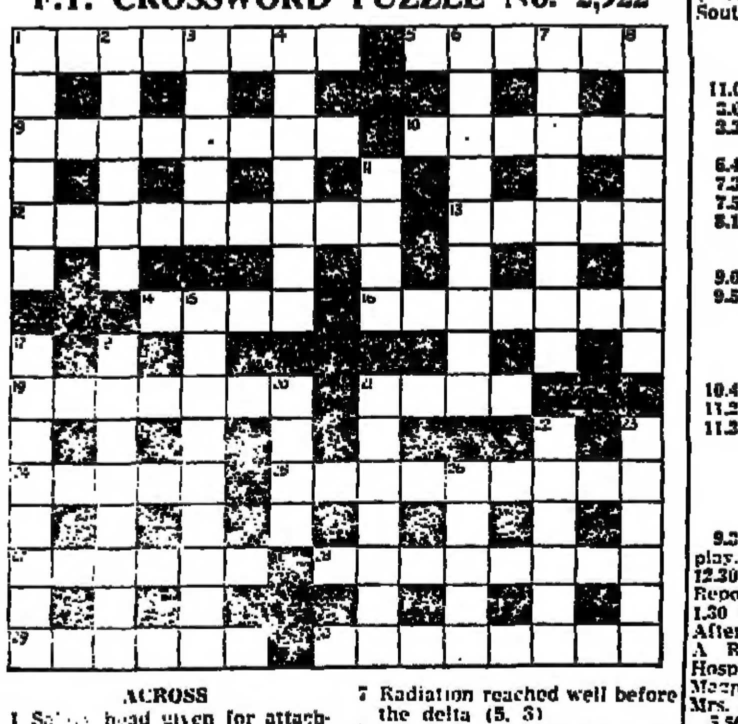
5.00 a.m. Morning Music. 6.00 "A.M.": breakfast show. 10.00 George Gale: talking to London. 12.00 Newswatch: first edition. 5.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Adrian Love. 1.00-5.30 a.m. Nightwatch: news every half-hour.

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt and his late show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,922



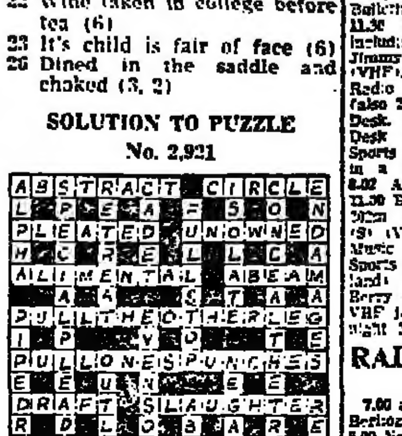
ACROSS

1 Salary head given for attachment to bottle (5, 3)
5 Man is an example—but not according to Donne (6)
9 Confectionery? Father gets across at Twickenham (8)
10 Brilliant move the French put together (6)
12 Not a bad house apparently in Vest paradise (9)
13 Bad credit given to a [illegible] (5)
14 It only measure for raising the roof (4)
16 Succeed before five run into trouble (7)
19 Preposition made the more unusual (7)
21 Spear a fish (4)
24 Trifle daughter takes to friend (5)
25 Investments left at sea by page (9)
27 Test alternative bit of business (6)
28 Defied route dad confused (8)
29 Girl from down under (6)
30 Surrey member has article on your old-fashioned agreement (8)

DOWN

1 Month before relative developed poisoning (6)
2 Getting up a revolution (6)
3 Factory making books (5)
4 Finished race alive (7)
6 Place restraint on random sample (4, 5)
7 Radiation reached well before the delta (5, 3)
8 Act before election by means of legal instrument (4, 4)
11 Look both ways (4)
15 Political group structure serves to divide the two Houses (5, 4)
17 Painstaking boss takes notes (8)
18 Promise once more to put salesman on shelf (8)
20 Doctor by an afterthought takes swabs (4)
21 Lyme in the box according to the panel (7)
22 Wine taken in college before tea (6)
23 It's child is fair of face (6)
26 Dined in the saddle and choked (3, 2)

SOLUTION TO PUZZLE No. 2,921



ENTERTAINMENT GUIDE

CINEMAS ARE CONTINUED ON PAGE 6

Festival Hall

The Hallé

Seldom can the Hallé Orchestra have played under James Loughran with greater mastery or breadth of tone than in Mahler's Fifth Symphony, on Friday evening. It was a very special tone and ensemble the players produced—not blandly assured, necessarily, nor without passing fluffs (far fewer of these, in fact, than expectation accepts as inevitable in Mahler's long and cruelly testing symphony): but solid, with the kind of powerful, full-mettled, granitic brass-playing not perhaps always comfortable on the ear, but splendidly full of bite. The strings, once so impoverished of deportment, achieved in the Adagietto, a unanimity of attack and colour all the more moving because one sensed the concentrated effort beneath—and as introspection tensed and then soothed into stillness is the essence of that movement, the performance was as "right" as it was admirable.

For all this, Mr. Loughran must take a large share of praise. Yet it was not an altogether satisfactory or complete account of the work, even so. To reconcile its far-flung polarities of feeling demands from a conductor, ideally, a mercurial temperament much like the composer's—who could move, we are told, from deep depression to hilarity and sallies of wit in the space of minutes. It was the joviality, the broad comedy, the sheer fun, in the music that tended to be underweight. The Scherzo's ability to throw out infectious new episodes was moderated by a sedate tempo, insufficiently animated at the onset of fresh high spirits; the Rondo-Finale was similarly muted. But to the opening movements, with their different faces turned on the same tragic spectacle, there was a broad, dignified response.

The eloquence of the performance as a whole was a surprise all the greater for what had preceded it: Chopin's F minor Piano Concerto, in which the playing was grey and sluggish beyond what Chopin's rather restricted orchestral writing could easily bear, and in which Mr. Loughran was an accompanist over-enthusiastic about (and therefore rather tentative towards) the soloist, Claudio Arrau. Some spacious, amply shaped phrasing in the slow movement reminded the listener of a great pianist at his best; most of the time, however, the sound and the approach seemed oddly colourless and cloudy.

★

There was nothing in the least colourless or cloudy about Radu Lupu's appearances, in the Mozart Piano Quartet K.478 and the Schumann Piano Quintet, with the Amadeus Quartet in the same hall on Sunday afternoon. Delicate, veiled sonorities, quietly (and sometimes self-consciously) poetic turns of phrase, an ever-malleable sense of rhythm: these characteristics made him an extremely unlikely Amadeus associate, at least on the quartet's present outwardly-felt-and-aimed form. It was odd indeed, in the Mozart Andante movement, to hear so lissome and discreet an accompaniment for the juddery approximations and curdled upperstring tone of Norbert Brainin's solo utterances. The Schumann, especially in the outer Allegro movements, found temporary unanimity in vivacity; even then the contrast between Lupu's air of newly discovering music, and the Amadeus' comfortable, entrepreneurial manner of dispensing it, was hard to ignore. As a central, string quartet offering, Schubert's A minor (D.804) was played, with at times a concentration on "manner" that suggested contact with the inner Schubert had been all but lost.

MAX LOPPERT

Covent Garden

Elisabeth Schwarzkopf

Following last season's successful Sunday evening song recitals at Covent Garden, a new series began this week. The singer should have been Victoria de los Angeles, but she was forced to cancel, and Elisabeth Schwarzkopf took over at three days' notice. Emergencies, as I have had occasion to remark before, always stimulate Elisabeth Schwarzkopf to give of her best, and this was no exception. The soprano started the evening in rather better voice than at her South Bank recital 15 days ago; the Opera House acoustics are also kinder than those of the Festival Hall.

The original programme was to have contained French, German and Spanish songs. Schwarzkopf, with one exception, adhered to the great masters of the German Lied—Schubert, Schumann, Brahms, Liszt, Mahler, Wolf and Richard Strauss—offering an anthology of favourite songs, most of which she has sung many times in London over the years. Schubert's "Der Lindenbaum" and "Gretchen am Spinnrade" were followed by Schumann's "Der Nussbaum," exquisitely whispered in the tiniest thread of tone. After Brahms's "Vergebliches Ständchen," the importunate young man and the prudent young girl nicely characterised, came Liszt's "Die *drei Zigeuner*," the *gypsy* rhythms sharply defined.

Grieg's "With a Waterlily" was sung with a long, flowing vocal line, while Mahler's "Sermon by Antony of Padua to the Fishes" provided a good contrast in which words were more important than tone. Settings of three Ophelia Songs from *Hamlet* by Richard Strauss made an interesting interlude in the second half of the programme, otherwise devoted to Hugo Wolf, as was the whole of Schwarzkopf's previous recital. "Kennst du das Land?" taxed the singer to her utmost, but Philine's Song was perfectly poised, containing some of the finest vocalisation of the whole evening. "Trau' nicht der Liebe," from the Spanish Songbook, was not quite so successful as in the Festival Hall, but "Ich hab in Penna," from the Italian Song Book, came off even better.

As on the earlier occasion, the pianist was Geoffrey Parsons, who surpassed himself in depicting Gretchen's Spinning-wheel, the Gypsy's fiddle and, in the first encore, the halting, amateur violinist of Wolf's "Wie lange schon."

ELIZABETH FORBES

Hazlitt, Gooden & Fox

John Martin

by DENYS SUTTON, Editor of Apollo

John Martin: Belshazzar's Feast

The ever growing interest in English painting has inevitably directed fresh attention to John Martin (1789-1854), once a popular master. Credit for having done much to revive his reputation is mainly due to the late Thomas Balston who wrote about him and inspired the exhibition of his work held at the Whitechapel Art Gallery over 20 years ago.

Now Hazlitt, Gooden and Fox have staged a show of Martin's paintings, water-colours and prints in aid of the National Art-Collections Fund. It is open until November 21, though unfortunately not on Saturday mornings. It is being held to coincide with the publication of a new study of Martin by William Feaver (Oxford University Press, £7). Mr. Feaver is also responsible for the neat catalogue.

Martin's position as a leading member of the Romantic movement is now secure. He is one of the few English painters to have aroused enthusiasm in France, as was pointed out by Jean Seznec in an exemplary study: Victor Hugo for one was influenced by him. Mr. Feaver reminds us that Martin's *The Fall of Nineveh* appealed to Joseph Bonaparte, Louis Napoleon and King Leopold of the Belgians and that it was last heard of in the collection of King Farouk in Cairo.

Martin excited considerable interest for he had the gift of creating fascinating images of a horrific nature. He was a painter who explored the Supernatural which had such an appeal for the nineteenth century and, significantly, Sickert admired his work. He was a painter of doom.

Martin was self-taught. However, this did not prevent him from possessing a considerable knowledge of the Old Masters and echoes of Claude, Richard Wilson and Salvator Rosa may be detected in his paintings. He was active at a time when the mysterious imaginative work of the last-mentioned artist aroused enormous interest in England and provided the lively Lady Morgan with the subject for an entertaining book. Mr. Feaver does not sufficiently emphasise Martin's connection with the Neapolitan master, though he does have much of interest to say about the origins of his hero's style and its eclectic character.

How fascinating to find, for instance, that he was influenced by S. P. Cockerell's house, Sezincote, which was based on the mausoleum of Hyder Ali Khan at Laubang. However, not everyone will agree with Mr. Feaver's contention that a painting such as *Belshazzar's Feast* looks ahead to the architectural background in the paintings of Gustave Moreau; these are strongly influenced by Italian art.

This show, which has been well selected, displays the familiar Martin—the painter of large scale dramatic paintings that foreshadow Cecil B. de Mille. It also represents him as a landscapist in the English tradition, painting views of Eastbourne and Tyne. A water-colour such as *A Port: Moonlight*, 1826, reveals that he was already interested in the nocturnal effects later explored with greater sensitivity by Whistler.

Martin was an unequal painter. His work is best seen at a distance. His aim was to provide theatrical effects: however, the quality of his handling of paint leaves much to be desired: his colour is often shrill. His lack of subtle colouring is one reason why his mezzotints, which rely on black and white, are often more expressive and telling than his oils. It is only necessary to compare his paintings with those of a fellow romantic such as Delacroix to see how fancy and invention are no true substitute for a sense of colour and a feeling for design.

G. F. Waagen, who had a good eye for modern English painting, notes the touch of melancholy that pervades Martin's work. This painter was always keen to show man dwarfed by nature and that catastrophe was ever present. The pessimism implicit in his approach provides one explanation of his modern appeal.

Martin was an illustrator who found congenial subjects in the Bible and in Milton. He was alert to the growing horrors of urban life and devoted much time and fortune to plans for social improvement. He had a sense of the tragedy of life but the trouble is that he did not have the gifts to achieve tragedy in his art, in the sense that Turner did in the *Slave Ship* or Géricault in the *Radeau de la Méduse*. Martin's vision has an air of tinsel. Nevertheless, he remains an intriguing figure in the history of romantic art and a true eccentric in the English tradition.

Festival Hall

Prokofiev

by GILLIAN WIDDICOMBE

Between Prokofiev's large, popular Fifth Symphony and his facile, comical, child-like Seventh lies a long, dark, agitated work, generally unloved and unheard; but, by those who champion Prokofiev, very much admired. Last Sunday it was played by the London Philharmonic, with the Viennese conductor Walter Weller. The LPO has just returned from a Russian tour (eminently successful, of course); but this performance was tied not to that, but to a recording this week, presumably for Decca.

The Sixth is a three-movement work, 45 minutes in duration. It reaches majestic proportions in the central movement, an elegaic Largo, where the score is most densely knit, and contains some terrifying chromatic turns and undertones. The first movement is a restless exchange of contrasting ideas — some in the heaviest of Prokofiev's tick-tock idioms, some lyrical and dreamy, and some purely dependent on instrumental mélange. (Note to aspiring orchestrators: the weird effect of paired horns overlapping, just before Fig. 33, is well worth pinching; but Shostakovich probably derived a good deal from the hollow doublings and spare textures elsewhere in this symphony.)

The finale is a vivacious quicksand. It trips along optimistically, but falls into a powerful, angry climax before an abrupt, evil conclusion. This apparently is the hardest movement to bring off in performance; but all three require particularly clean, widespread intonation, and dramatic, courageous shaping.

Weller is an efficacious conductor, and Sunday's performance was generally well done, with plenty of strong tone and several rays of silvery string playing. But he belongs to that class (a high class, by the way) of conductor who works from memory, and as a result seems more concerned with the fluency and forward motion of a musical paragraph than with its actual sounding quality. In each movement there were passages which could have been handled with more imagination. And the three Slavonic Dances (from Dvorak's Op. 46) which opened the programme might have been conducted by a machine, so blunt and brisk were they in sequence and repetition.

Gyorgy Pauk was below his best in Beethoven's Violin Concerto. He clambered through the soloist's entrance, and stretched intonation beyond its normal confines. Nonetheless there were moments which rose into lyrical warmth and refined colouring, and reminded us of his more distinguished playing.

Lots of Mr. Bigs

by NIGEL ANDREWS

Hollywood by Garson Kanin. Hart-Davis, MacGibbon, £4.75, 350 pages

Garson Kanin's great strength as a playwright and scenarist—he wrote *Born Yesterday*, and with his wife Ruth Gordon scripted some of the brightest post-war Hollywood comedies—was his ability to define character by dialogue. His ear for the quirks and vagaries of individual speech stands him in excellent stead in his new autobiographical book *Hollywood*. Since it tells us less about Mr. Kanin and his rise to celebrity during the 1930s and '40s, than about the glittering collection of eccentrics he met in what was then—and still, by default of any serious competitor, is—the movie capital of the world, the book should perhaps be re-titled *I Am A Tape Recorder*. Like Isherwood, Kanin is at best when refracting and magnifying the personalities of others: his ear for the idiosyncrasies of conversation raising a book that would otherwise have been a standard pot-pourri of showbiz gossip to a level of frequently quite inspired mimicry and recall.

Sam Goldwyn, Carole Lombard, John Barrymore, Marilyn Monroe, Harry Cohn, Charles Laughton, Judy Holliday and Ginger Rogers are among the stars and movie tycoons who emerge both larger and louder than life in Kanin's prose. Goldwyn, in particular, shelling out malapropisms with the same largesse that he dispenses studio contracts, has never been brought to such maliciously funny life. Although the book sometimes looks as if it was written down in an idle moment in a studio lot or in the corner of a restaurant, the thrown-together casualness of it all is part of its appeal. I haven't read an account of Hollywood in the vintage years that captures quite so much of its idiot charm, or that so effortlessly burlesques its pretensions, its tyrannies and its blind, unconquerable egoism.

Phoenix Opera gala

An opera gala to help Phoenix Opera's appeal for funds to ensure its survival will be held at Sadler's Wells Theatre on Sunday, November 30, at 8 p.m. Over 60 singers and other musicians have offered their services; Joyce Grenfell will compere the proceedings; the English Symphony Orchestra will be conducted by Vilem Tausky and Roderick Brydon.

The price of tickets, now on sale at the theatre, ranges from 70p to £10.

Nancy

Jazz Pulsations 75

by KEVIN HENRIQUES

Jazz Pulsations 75 did not throb as harmoniously or as felicitously as the first in 1973. What was then an impressive, ambitious six-day festival became over-ambitiously extended this year to an unmanageable 11-day leviathan which at times rampaged crazily, burdened by the weight of its own good but misguided intentions. Late or non-appearance of artists, delayed starts to most concerts, a general air of disorganisation and far, far too much avant-garde (or free) jazz, were the major blemishes. Add a disagreeable public dispute between the organisers and leading American impresario Norman Granz, resulting in the cancellation of the crowning Count Basie-Ella Fitzgerald concert of this giant birthday cake of jazz, and the reasons for Nancy's rarely smiling face during the 11-day Pulsations are briefly summarised.

As in 1973, Nancy's feast focused around daily concerts in a 3,000 capacity circus tent, the Chapiteau, and the 1,000 capacity Salle Poirel. Supporting this was the Festival "Off," or fringe: sessions in restaurants, hotel bars, stores, bowling alleys, even one in the local prison (which I could not attend), with musicians drawn mainly from those playing at the concerts. This year it was here that the Pulsations vibrated most satisfactorily. In a large, typically French, brightly-lit brasserie in the main street Duke Ellington's former drummer Sam Woodyard was heard one night playing with an all-French, Ellington-orientated quartet. Saturday night diners in a little bistro were maybe *surprised to have the digestion* of their tournedos rossini assisted by the songs of bluesmen Willie Mabon and Doctor Ross. In the bar of Nancy's newest—and most vulgar—hotel, drinkers savoured the blues guitar of Mickey Baker and the incredible jazz piano technique of former Schnabel pupil Bob Vatel.

★

Moments such as these—there were many similar—were the essence of Jazz Pulsations 75. In these smaller venues the eardrum-splitting *avant-garde* had—mercifully—no place. The Chapiteau and Poirel were the settings for the new-thing groups who inflicted their fiendish din on a public which, to be truthful, was, in its youthful liberality, tolerant to a fault. For me the most memorable (and forgettable!) was a conglomeration of mainly French musicians, singers and string players pretentiously labelled the Utopic Sporadic Orchestra. The basis of their pop/rock/jazz revolved almost entirely round repetitive ostinato figures which they repeated *ad nauseam*, add noisome; one such "composition" was repeated twice at the behest of the seduced audience.

Other similar noises were heard from French groups such as Cohelmec (with a lady singer whose "ooh-ooh" moan into the microphone was irreverently echoed by a wag in the audience), the Free Jazz Workshop of Lyon and fine musicians like pianist Siegfried Kessler and soprano-saxist Steve Lacy, who, among others, dabbled with the technology of synthesisers but should have known better.

These *sacrés diables* apart there were bands and musicians who played contemporary jazz in a more musicianly and convincing way and were not simply making noises. Among these was the Brotherhood of Breath, confirming its uniqueness among European-based bands—no other group of medium size plays with such force and unremitting energy. Coincidentally, the other most-talked-about concert of the Pulsations was also of British origin—the large, rarely-heard forces amassed by pianist/composer/arranger Keith Tippett which he names Centipede.

★

Centipede was an entirely new, somewhat jolting experience for Nancy. On the dimly-lit stage five singers, three female, two male, began the opening section with orgastic moaning, staccato vocalising. The huge (over 50) orchestral forces including strings joined in and the piece assumed a vast, sprawling shape. It developed along loud, incomprehensible lines. As the five singers cavorted crazily to the music one searched for a meaning. Now and then meaningful solos from such reliables as Harry Beckett (trumpet) and Mike Osborne (alto-sax) relieved the heavy weight of it all. But, well-lit and stage-managed as it is, Centipede is really a pop/rock/theatre experience.

The only other British representatives in Nancy were that genial, ubiquitous singer Beryl Bryden, complete with washboard, and the Trevor Richards trio, based in Germany, whose prime function was to accompany solo artists in the Festival "Off" and also at the best attended Chapiteau concert, a Blues and Traditional jazz *soirée*, an exhausting marathon which began soon after 9.30 p.m. and ended some seven hours later.

The overwhelming success of this packed, happy event was solid proof of the true meaning and raison d'être of jazz. Vocal and piano blues from Eddie Boyd and Willie Mabon, then primitive playing from Doctor Ross, the one-man band of harmonica, guitar, bass drum, voice were contrast enough but to this was added the ebullient 73-year-old multi-reed player Benny Waters who really stopped the concert. A player of vast experience, notably with the legendary Jimmy Lunceford orchestra, his warmth, sincerity and swing were astonishing.

Trombonist Gene Connors, no slouch, followed but could not match Waters' success: that respected trumpeter from New Orleans, Wallace Davenport, almost did. A punchy, full-toned player, now branching out as a soloist, he really needs a smooth rhythm section to play at his peak and he did not have it here.

Apart from this one, almost the only other concert comparable in quality was the Pablo Jam Session, which proved that whatever may be said about Norman Granz he needs no lessons in programming. Then towards the final hours of Nancy's plethora of jazz it was left to the incomparable violinist Stéphane Grappelli to provide much-needed and much-appreciated sanity, beauty and elegance. These qualities, along with wit (which trumpeter Clark Terry predictably provided on the Pablo Session) were glaring absentees from most concerts.

Also during the Pulsations, Nancy hosted the triennial general assembly of the European Jazz Federation which took one positive decision, to become International instead of European. But, attended mainly by radio, TV, record and journalistic figures, this well-intentioned, slightly idealistic organisation, did little else but prove that jazz people are as chauvinistic and personally motivated as those in more rarefied spheres.

Now, however, Les Comités des Fêtes de la Ville de Nancy must unselfishly consider the future of its Pulsations, for next time there will have to be major changes. Clearly 11 days is far too long for a jazz festival, especially with exhibitions, film shows and receptions as well. Talk of this being the last one is reckless and premature for Nancy is geographically and environmentally the right place. The Comité must learn from this year's mistakes and make sure their leviathan is pared down to a more manageable animal. Because I, for one, want to see again Nancy with a laughing face.

Bob Wilber at the Seven Dials

On Thursday next, November 6, at 8.30 p.m., the soprano saxist-clarinetist Bob Wilber will play at the Seven Dials, Shelton Street, London, W.C.2.

Since 1968, when he joined the World's Greatest Jazzband, Bob Wilber's fame has spread throughout the jazz world. Now he has left that band and is working again on his own. At the Seven Dials he will be accompanied by Colin Purbrook (piano), Ron Matthewson (bass), and Derek Hogg (drums).

REPORT FROM INDIA

Big rise in trade gap: new export subsidy plan

BY OUR OWN CORRESPONDENTS

IF PRESENT trends of imports and exports continue, India's trade gap in 1975/76 will be substantially more than the record 1974/75 figure of Rupees11.64bn. (£638m.). An indication to this effect has been given by Mr. D. P. Chattopadhyaya, the Minister of Commerce, speaking to the Advisory Council for Trade. He told members that exports had risen in the period from April to August by 15.6 per cent. to Rupees14.61bn. (£801m.) compared with Rupees 12.64bn. (£693m.) a year earlier.

Imports between April and August were Rupees18.39bn. and, even though they were 14.6 per cent. better, it meant a peak trade deficit of Rupees3.77bn. (£207m.).

Mr. Chattopadhyaya attributed the rising trade gap to higher prices paid for oil, fertilisers and grain.

It is obvious that the increase in exports has not been able to keep pace with the rising costs of these essential items even though the rise in exports is well ahead of the target of a 12 per cent. annual increase.

Judging from the minister's remarks, the position is likely to deteriorate. He said if exports maintained their growth rate they would reach a new high level but even that would not be sufficient to counter the dearer oil. The last OPEC rise of 10 per cent. in crude price was "going to hit countries like India very adversely," Mr. Chattopadhyaya added.

Credit insurance

India has sought the creation of a global export credit insurance body which could countersign the export credit insurance given by a member country. That would ensure that the "commercial paper" emerging from such transactions was freely refinanced by international financial institutions.

The proposal for this body was made by Mr. Chattopadhyaya, at a meeting here of the management committee of the International Union of Credit and Investment Insurers. The committee is functioning under the Berne Union, which in the 21 years of its existence has brought 24 nations into its fold. Mr. Chattopadhyaya said the availability of refinance facilities would be of great help to developing countries which faced formidable constraints on resources for planned development. Such facilities were needed for medium and long term exports and often for short term, he added.

Silk production

Japan has agreed to help in establishing facilities in India for silk production. A major Japanese company, whose name has not been disclosed, will assist in seed production, reeling and silk machinery production.

The help has been obtained by an Indian silk delegation which has just returned from visits to Tokyo and South Korea. Aid will be in the form of expert serices, provision of silk seeds and machinery parts on easy payment terms.

From South Korea the delegation obtained assurances of support in the production of silk fabrics for export. A Korean company has signed an agreement to do this. It will supply raw silk at international prices.

Export scheme

India's entire cash compensatory scheme for exports, announced recently, is being revised. An alternative will be announced early next year, according to the Commerce Minister's economic adviser.

The scheme is a euphemism for cash subsidies, an increase in which is being sought by many exporters. But the Government feels that restrictions have to be imposed if the country continues to rely on export of raw materials. Further incentives are thus being proposed for manufactured goods, and that is likely to be reflected in the new scheme for subsidies.

Steel exports

Mr. Chandrajit Yadan, the Steel Minister, has claimed that firm export orders for steel already amount to nearly 1m. tonnes. Importing countries include European nations such as Spain and Yugoslavia; Egypt and Iran in the Middle East; and Sri Lanka in South East Asia. He felt confident that the years target of 1.2m. tonnes would be fulfilled.

The minister said India—which has already stopped aluminium imports—may have to enter the export field soon as domestic production has gone up by 37 per cent. over the past six months and the economy is at present unable to absorb the current supply. On the basis of current aluminium production, India is likely to achieve an annual output of 240,000 tonnes out of an installed capacity of 300,000 tonnes during 1975/76.

Pipeline group

Oil India, in which the Government and Burmah Oil have an equal share, and the public sector Engineering Projects India, have agreed to pool technical expertise and resources to take on turnkey projects for the laying of oil pipelines abroad, particularly in Gulf countries.

Substantial foreign exchange is expected to be earned as a result of the agreement, which is to be formalised at the end of this month. Many inquiries have been received by India for laying of oil pipelines from Middle East countries.

India will provide designs and technical services to Engineering Projects India to undertake contracts for laying of oil and other pipelines and reservoir engineering. The potential for such contracts is said to be high in such countries as Dubai, Qatar, Iraq and Iran, according to a delegation which recently visited the area.

Meanwhile, Oil India has signed a contract with Arab petroleum consultancies based in Kuwait on giving technical aid in pipeline construction. Both companies will jointly offer their services for execution of the Rs.200m. (£11m.) petroleum products pipeline proposed by the Hindustan Petroleum Corporation (formerly Exxon) from its Bombay refinery to Poona.

Work for Italy

Indian businessmen have told an Italian delegation that India could act as a manufacturing base for Italy for several items which could be exported either to Italy or to third countries.

The delegation was told that possibilities of subcontracting by Indian companies should be explored.

India would welcome Italian know-how in setting up manufacturing facilities in India for finished leather goods, ready-made garments, pharmaceuticals and fertilisers, it was stated.

Jamaica forms State shipping line

BY CANUTE JAMES

KINGSTON, Nov. 3.

A JAMAICAN national shipping enterprise, Jamaica Merchant Marine, will be launched within a few weeks and will start operations by carrying bauxite ore from Jamaica to North America.

The Jamaican Government will own 75 per cent. of the $J4m. (£2.13m.) enterprise, with the Mexican national shipping line, Transportacion Maritima Mexicana, owning the other 25 per cent.

One of the first aims will be to obtain about $J75m. (£40m.) a year of the freight business going in and out of the island.

Studies are being undertaken of the potential of the line for carrying alumina to North America and grain in bulk to Jamaica. Transport of bananas and sugar to the U.K. will be investigated early next year.

With negotiations in progress between the Government and the bauxite companies as to which will be the line's first and major customers. Mr. Eric Bell, Minister for Transport, has indicated that the Government will not be reluctant to pass cargo preference laws if such are found necessary.

Government sources, however, have been hesitant in confirming that there have been difficulties in talks with the companies.

Small rise this year in China's foreign trade

By A Correspondent

CANTON, Nov. 3.

A SPOKESMAN for the Canton trade fair said China's trade this year would represent a 180 per cent. increase over that at the start of the current Five Year Plan in 1971. But for 1975 the rise above 1974 would only be small, according to Mr. Tsou Szu-Yee, deputy secretary-general of the fair.

An advance estimate of any economic activity of the kind the 180 per cent. statistic represents is unusual in China. Apparently, trade growth in the current Five Year Plan is regarded as significant by the party leadership.

Mr. Tsou said the estimate was prepared by the Canton Trade Fair and not by officials in Peking.

The most recent trade figures released there spoke of last year's trade increasing 7.5 times over 1952. Since a similar figure had been released in 1973, it was possible to compute that China's trade grew by 32.5 per cent. last year.

U.S. estimates of China's trade conclude that it expanded by 190 per cent. during 1971-74, starting with a total turnover of $U.S.4.72bn. and ending at $13.7bn.

Mr. Tsou's description of 1975 trade as a "not very big increase for China" must be viewed as something of a setback, and officials here believe the slower growth is caused by the "crisis in the capitalist world."

Israel getting orders for Wankel engines

By L. Daniel

TEL AVIV Nov. 3.

A LARGE number of Letters of Intent have been received by Savkel, the Israeli licensee for industrial and marine Wankel engines. The company is building a $12m. plant, with an ultimate capacity in five years' time of 100,000 engines, for industrial and off-the-road vehicles.

Production is to start in 1976, and it is expected that in the first full year of operations, 25,000 engines of 30 h.p. will be made. This is the size to which the company will confine itself at present, although it has licences for off-the-road vehicles up to 150 h.p., and for industrial engines of up to 70 h.p.

The Israel engine will incorporate a number of local refinements — the air cooling system for the engine and oil cooling for the rotor. The shaft is friction-welded, permitting the use of a wide variety of shafts as required. As of now, the company is inserting its latest model into prototypes sent from abroad by prospective customers.

By 1978, it is intended to produce a two-rotor engine of 60 h.p. whose cost will compare favourably with that of a 4-stroke engine.

It is expected that during the first few years 70 per cent. of output will go to North America and the balance to Europe and South Africa.

VENEZUELA CUTS TRACTOR PRICES

By Our Own Correspondent

CARACAS, Nov. 3.

Prices of imported farm tractors and other heavy equipment used in agriculture have been ordered to be reduced to regulated levels by two Government agencies. The Venezuelan Ministeries of Development and Agriculture have ordered a roll-back of between $294 and $1,128 per unit on 58 types of farm equipment. The Government has charged that importers of farm tractors were earning "excessive" profits. No tractors are manufactured here, but the Five Year Plan calls for the establishment of at least one tractor factory.

Lazard aid for S. Korea merchant bank

By Our Own Correspondent

SEOUL, Nov. 3.

AS THINGS stand now, Lazard Brothers is likely to be the foreign interest to inaugurate South Korea's first merchant bank in a 50-50 joint venture.

Mr. Daniel Meinertzhagen, chairman of Lazard Brothers, has started contacting officials of the five local business groups which would form a syndicate to represent the domestic interest in the proposed Korea Merchant Bank Corporation, to be capitalised at $10m.

Mr. Meinertzhagen is to leave here to-morrow, but two Lazard officials will remain for about a week to continue their feasibility study of the project.

Lazard Brothers is one of a few British financial interests approached by Mr. Kim Yong Hwan, South Korea's Minister of Finance, in connection with the scheme when he visited London in September.

It is believed here that with the agreement of Lazard the merchant bank will become operational during the first half of next year.

Officials of both the Ministry and Daewoo Industrial Company, one of the five listed, declined to confirm the report, however, saying it was premature. The other four domestic companies are Hyundai, Tongyang Nylon, Taihan Electric Wire, and Chonbang.

The Government is rushing to enact before the end of this year a law governing the establishment and operation of this new type of finance house in Korea. The law would authorise merchant banks to handle a wide range of money business, except receiving general deposits.

India reassures Austria on investment

By Paul Lendvai

VIENNA, Nov. 3.

MR. SHRI P. A. PAI, Indian Minister of Industry and Civil Supplies, during his recent visit here, reassured the Austrian Government and major steel, motor and engineering companies doing business with India that foreign investors are welcome. No changes were planned, he said, in the regulations governing foreign participation in Indian industry.

Mr. Pai said there were 39 joint Austro-Indian ventures, but despite a jump in Indian exports to Austria to Sch.182m. (£4.84m.) during the first eight months of 1975, there was still a surplus of Sch.60m. (£1.6m.) in Austria's favour.

SMITHS' PILOT HEAD-UP SYSTEM

Smiths Industries is hoping for substantial sales, especially overseas, of its pilot's "head-up display system," which has been ordered by the Ministry of Defence for the Hawker Siddeley Sea Harrier combat aircraft, now on order for the Royal Navy. It enables a pilot to "see" instruments without directly looking at the instrument panel.

Austrian co-operation deals with Comecon

BY PAUL LENDVAI

VIENNA, Nov. 3.

AUSTRIAN companies have so far concluded 120 co-operation agreements with Comecon member states and 30 deals with Yugoslavia. Yet the volume of deliveries under joint ventures still accounts only for 5 per cent. of Austria's total trade with Eastern Europe.

Announcing this in a recent interview, Dr. W. Mayer, chief of the Federal Chamber of Economy's Department for Co-operation with Eastern Europe, predicted that industrial co-operation would be increasingly important in commercial relations with Communist countries.

As there is no obligation for the companies to report joint ventures in Austria, the number of agreements can only be estimated.

According to Chamber statistics, Hungary is first among East European countries with regard to industrial collaboration with Austria. An estimated 80 such agreements have been concluded.

The satisfactory co-operation is primarily attributed to the possibility of direct contact between enterprises. Geographical vicinity is another favourable factor. Austrian companies have signed only 12 co-operation agreements with the Soviet State Committee for Science and Technology. In contrast to the Eastern European states, the agreements refer only to scientific-technical and not industrial co-operation.

On other Comecon states, Dr. Mayer estimates that Poland (with 12 co-operation agreements) is well placed. It is followed by Bulgaria and Romania with eight and five agreements respectively.

Although so far only four agreements have been signed with Czechoslovakia, it is hoped that following the recent meeting of the Austro-Czech Mixed Commission, chances in such sectors as machine-building, electronics and chemicals can be utilised.

It remains to be seen whether and how far direct contacts with Czech enterprises will be possible. With East Germany, no industrial co-operation deals have yet been concluded except for a joint venture in Mauretania.

As a result of the high degree of decentralisation of the Yugoslav economy, Austrian concerns have signed at least 30 co-operation agreements with Yugoslav enterprises. The inter-state agreements on economic, industrial and technological-scientific co-operation signed with all Eastern European states, the annual meetings of the Mixed Commissions and the establishment of working groups dealing with specific branches play an important role in promoting joint ventures.

The Federal Chamber of Economy does its best to invite individual companies to the sessions of such commissions and working groups to discuss projects.

Export Contracts

GEC will build static compensation equipment costing £350,000 for an Australian wood chip mill which exports chips to Japan for the paper-making industry.

REDIFON FLIGHT SIMULATION has a £3m. order from Iraqi Airways for two digital flight simulators for Boeing 727 and 737 aircraft.

INTERNATIONAL AERADIO will provide airport equipment worth £1.2m. for the new Sharjah international airport.

MERSEY DOCKS AND HARBOUR COMPANY and **SCRUTTONS CARGO HANDLING**, London, are to spend two years assisting in operation and development of the Port of Dammam for the Saudi Arabian Government railroad organisation which controls the port.

GEORGE WIMPEY (NIGERIA) will do £4.4m. of sub-contract work involving road construction and storm drainage at the Lagos international trades fair site.

ALGERNON ASPREY, London, will complete interior decoration and furnishing of a second royal palace at Jeddah, at a cost of £1m.

Contracts Abroad

R. HENRY ET FILS, Lausanne, will proof and thermally insulate roofs of hangars and aircraft shelters in Tehran for Iranair, using a technique for mechanical projection of Duroplastic foam. Henry, with the Bureau des Architects Associes, Lausanne, heads an international consortium participating, via the Sakhteman Construction Bank, in building 50,000 dwellings in Iran.

INVENTA, Zurich, has a fourth contract from Ta Shing Chemical Fiber, Taipeh, to expand the polyester plant at Yang Mei.

BATIGNOLLE, France, has a consultancy contract for a £3.7m. project to extract unwanted sulphur from Abu Dhabi's oil and turn it into sulphuric acid.

ENTREPOSE (Vallourec), France, will build for Occidental Petroleum a 2,400 kms. ammonia pipeline requiring 180,000 tonnes of steel pipes, between Togliatti and Odessa on the Black Sea at a cost of £144m. The line will carry 2.5m. tonnes of ammonia annually to Odessa.

IN BRIEF

Nigerian cement

The Nigerian Government has announced that 64 local agents of foreign cement suppliers have been ordered to appear before the Tribunal investigating the huge cement imports which are choking the port of Lagos. They will be asked about contracts with the Defence Ministry. Discharging has now reached 10,000 tonnes daily, compared with less than 2,000 tonnes two months ago.

Venezuela surplus

Venezuela will end 1975 with a $3bn. trade surplus and international reserves of $9.6bn., according to Sr. Alfredo Lafee, president of the Venezuelan Central Bank. Imports in 1975 would reach $4.7bn., he forecast. Oil income this year should be around $7.59bn., against $8.56bn. in 1974.

Credit for Russia

A credit of £10m. has been arranged for the Soviet Bank for Foreign Trade, London market sources suggest, to finance U.K. exports of capital goods to the USSR. ECGD has guaranteed the credit, arranged by Morgan Grenfell and Lloyds Bank. The ultimate repayment date could be as far ahead as 1984, depending on the date on which goods are delivered. Terms are believed to include a 50-50 mix of fixed and floating interest rates.

Trolley bus deal

Greece has bought 124 trolley buses from Russia, worth about £3m. Ninety per cent. of the value will be paid for with Greek agricultural products, and the balance in convertible currency. Delivery starts next year and continues until 1978. They will be used in Athens to replace oil-engined buses as part of the anti-pollution drive.

Kinheim-Holfet

Kinheim-Holfet International, the Far East-based Anglo-Chinese chemical manufacturing and metal and mineral mining group, is moving its European division on December 1 from Brielle, near Rotterdam, to The Hague. Additional staff is being moved from the Hong Kong HQ to Holland.

Europe-Indonesia

The Europe-Indonesia Freight Conference, having re-assessed the effect of the reopening of the Sue Canal on its cost structures, announces a reduction of the bunker surcharge to 17.78 per cent. and of the basic freight rates (those operative immediately before July 1, 1975) by 2.49 per cent. Both reductions apply to vessels commencing to load on and after November 1.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $365.00 (air freight) $485.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Ford's anxiety growing over threat from Reagan

BY DAVID BELL

WASHINGTON, Nov. 3.

VICE-PRESIDENT Nelson Rockefeller's abrupt announcement that he will not run with President Ford next year has come as no surprise to the supporters of Ronald Reagan, the erstwhile Californian Governor and Hollywood film star who has been building a strong campaign staff in recent weeks.

The President is already being christened "Gerry Reagan" in recognition of his evident fear that he is being outflanked on the right by Mr. Reagan, who claims that he represents the true conservative Republican majority.

Mr. Reagan has been building up a strong organisation, particularly in the key state of New Hampshire where he is now almost certain to challenge President Ford in the first of next year's Presidential primaries. His campaign has already worried Ford's staff and he has the support not only of the state's Governor but also of the editor of the largest paper, the Manchester Leader, which has an arch-conservative owner strongly opposed to Mr. Ford.

Mr. Reagan's philosophy is simple: he is opposed to what he has called the "federal boondoggle epidemic," the encroachment of Government and the spread of "piecemeal socialism" He is for a strong foreign policy by which he means, according to Mr. Lyn Nofziger, a close aide, "getting as much as you give and not always making concessions to the Russians or anyone else."

So far, "Citizens for Reagan" groups in more than ten States have raised more than $600.000 and are very optimistic that they will get the $5m. limit that they are allowed under the new campaign finance laws.

The Reagan staff were saying to-day that Mr. Ford may have overreacted to their threat, but that if so no one will benefit but themselves. Their aim is to win the New Hampshire primary and build on the bandwagon effect that would follow. But incumbent Presidents have only been defeated twice this century and Reagon supporters are well aware of the problems that face them.

Even so, Mr. Loren Smith, counsel for the campaign committee, said to-day: "Mr. Ford clearly sees us as the major threat and we intend to fight the primaries hard to prove that we are."

Nixon predicts Kennedy for 1976

WASHINGTON, Nov. 3.

FORMER President Richard Nixon is predicting that Senator Edward Kennedy will win next year's Presidential election, syndicated columnists Rowland Evans and Robert Novak said to-day.

In their column, published in the Washington Post and other newspapers, Evans and Novak said: "Richard M. Nixon has privately told friends the winner of the 1976 Presidential election will not be his hand-picked successor, Gerald R. Ford, but instead that habitual non-candidate, Senator Edward Kennedy."

They added: "Nixon flatly predicts President Ford will not be elected in 1976. That may indicate lack of gratitude for the President whose blanket pardon protected Nixon from criminal charges. But it certainly shows his long-time low esteem for Mr. Ford's political talents."

Reuter

Merrill Lynch loses court fight

BY JAY PALMER

NEW YORK, Nov. 3.

MERRILL Lynch Pierce Fenner and Smith, the world's largest brokerage house, has been ordered by a New York State court to pay an individual ex-client $700,000 in damages for investing his money in speculative securities against his wishes.

In an eight-day trial before the State Supreme Court, Mr. James Lehmann, a Toledo motel operator, said that between 1969 and 1972 he had invested nearly $850,000 through Merrill Lynch's Fort Lauderdale office and had lost $788,000 through mismanagement of his funds.

Contrary to specific instructions that his money be invested in "blue chip" securities, Mr. Lehmann accused Merrill Lynch of putting his funds into "high risk and speculative" situations which it knew to be unsuitable for his purposes.

In a separate charge, Merrill Lynch was also accused of "churning" Mr. Lehmann's account by engaging in "excessive, unwarranted and unnecessary" trading in certain securities. This lifted the firm's brokerage fees over the three years to more than $100,000, Mr. Lehmann said.

Merrill Lynch, stressing that it plans to appeal against the court ruling to discuss the case. This small legal battle is being followed closely on Wall Street simply because the eventual appeal ruling is expected to set a legal precedent for whether or not brokers must always get written authorisation for a particular transaction in advance.

Sra. Peron may undergo operation

By Robert Lindley

BUENOS AIRES, Nov. 3.

PRESIDENT Maria Estela Peron was in hospital early to-day suffering from an acute gall bladder attack which, according to the second medical report released, is not serious.

The report said that "a favourable evolution" of Sra. Peron's affliction is expected within the next few hours. One interpretation of this is that the President, who is 44, and General Juan Peron's widow, will undergo an operation.

If so, it is likely that Senate Chairman Italo Luder will become Interim President again. Senator Luder took over from Sra. Peron for 32 days in September and October while she secluded herself in Cordoba province "to rest."

This morning Sra. Peron was taken to the Little Company of Mary sanatorium—many of whose nurses are Irish nuns—from the Presidential villa, to which she had returned last night after having rested during the week-end near Mar del Plata, the Atlantic resort.

Reuter adds: Sra. Peron is facing trouble over the alleged misuse of public funds by Government officials. During her three-day absence from Government House, Opposition Radical Party Senator Fernando de la Rue suggested that the snowballing scandal might lead to her impeachment.

But a right-wing faction of Peronist Congressmen loyal to Sra. Peron was seeking a reversal of a Lower House decision last week to set up a committee to investigate the handling of public funds by the Social Welfare Ministry.

The radical party is also pressing for a parliamentary investigation into the handling by Sra. Peron herself of public funds poured into the Justicialist Solidarity Crusade, a charity organisation

THE PRESS IN BRAZIL

Economic troubles growing

BY DAVID WHITE

ANY DISCUSSION of the Brazilian news media a year ago would not have strayed far from the subject of censorship. To a lesser extent the same could have been said of book publishing, and even of popular music. That this is no longer necessarily the case partly reflects the large measure of relaxation that has taken place But it also reflects the presence of equally crippling problems such as have beset newspaper industries in most countries, and the effects of the economic crisis which the censors once made great efforts to hide.

Casualties

The casualties are being wheeled in one by one. Rio de Janeiro has lost two of its daily papers in the past few months, and the two senior organs are locked in deadly battle over a new television channel which one of them plans to run in rivalry with the other's. Amid all this it is clear that some newspapers are doing very well indeed, and are still fat with advertising—but in future there will be fewer of them.

Part of the problem is that the number of newspapers and magazines—something over 600—has grown with the economy and the population (about 107m.), but the number of readers has not. Despite an active literacy programme, 19 per cent. of adult Brazilians are still classed as illiterate and many others neither buy nor read newspapers. The spread of radio and television stations, mostly run by the newspapers themselves, has tended to reduce the new market still further.

The rest of the problem is basically a familiar one, the cost of paper. It is ironic when you consider that the Amazon region contains an estimated one-third of the world's remaining forest reserves, but Brazil has to buy more than half its newsprint on the world market. Although some newspapers curtailed their print runs last year, this amounted to 140,000 tons, while the domestic supply, coming almost entirely from the Klabin company in Paraná State, did not increase from the previous year's level of 117,000 tons.

A combination of soaring newsprint prices, difficulty in obtaining credit and, in some instances, senescence in the family businesses that run almost all Brazil's newspapers, have plucked a few well-known names from the stands. The largest newspaper chain, Diários Associados, has closed down its Rio daily O Jornal, and auctioned the impeccable title for a derisory £1,000. Its last operation in Rio and the country's second oldest paper, Jornal do Commercio, is due to be auctioned off in the next few months. The same fate has befallen the group's glossy weekly O Cruzeiro, which had been going since 1928 and had claimed the largest circulation of 700,000. After a brief reappearance as a monthly, the title was bought up for 5 per cent. of its estimated value, by a "collector of titles and documents."

The chain of collapses followed the end of the crusading Correio da Manha, which overstepped politically and financially at the same time. Others are rumoured to be going the same way. Provincial papers, burdened by disproportionate transport costs, are likely to be thinned out drastically, though a few papers do well, in the large cities.

The paper most notably immune to all this is the monumental O Estado de São Paulo, which this year celebrated a century of financial and editorial independence, interspersed with various attempts at interference. The last of these was called off at the start of the year, when the resident censor quietly moved out.

O Estado and the Jornal do Brasil in Rio, each selling around 200,000 copies on weekdays, depend on advertising (including voluminous small ads) for three-quarters of their revenue and devote the same proportion of space to it.

Prices up

Cover prices have in many cases doubled in the last year; the Sunday edition mentioned above costs 22p in São Paulo and 28p in Rio. Other papers, such as O Globo, depend heavily on their television franchises, and guard these jealously—hence the public mud-slinging match with Jornal do Brasil. But many see the franchises as a way of increasing Government leverage on the news media at a time when it appears to be easing off.

Unlike O Estado, most newspapers compromised with the old censorship system and imposed self-control, accepting recommendations from the censor's office. Although these are now infrequent, most papers have not overcome their timidity. O Estado itself is carrying on the human rights campaign begun in slavery days, but it does not challenge the basic orientation of the Government, and in fact supported the army intervention in 1964. Other papers that have leant further left are still submitted to censorship. This includes the leading current affairs magazine Veja and Opinião, which are significantly hampered in their production by this system. The Roman Catholic diocese newspaper in São Paulo is censored, and the English-language Brazil Herald is not allowed to make political comment.

Book publishers do not share this problem, except when it comes to pornography. But the other difficulties are shared, and even magnified. Book purchases have dropped, while paper prices increased fourfold last year There were various reports of hoarding, but some large companies had to print on art paper, since it was all they could lay their hands on. Some of the smaller ones could simply not afford it.

Despite the demand from schools and universities, the industry shrank, producing about 7,000 new titles compared with 9,600 in 1973.

This year, however, there are signs of improvement. Several publishers have started producing new titles again after a long gap. The Government has set up special programmes to cater for student needs, a credit system for publishers and a scheme of joint editions by the Ministry of Education and the publishing houses, which helps to reduce the often prohibitive bookstall prices.

In order to encourage Brazilian writers, a national book institute guarantees a certain level of sales to schools and public libraries. Writers are a revered caste, but hardly any can make a living from their books. Few are translated into other languages, and the Portuguese-language market is relatively small. While the domestic market is flooded with translations of European and American bestsellers, Brazil's writing class inhabits the corridors of ministries, university faculties and newspaper offices.

More talks on Canadian post dispute

OTTAWA, Nov. 3.

POSTAL NEGOTIATIONS will resume here to-day with both sides saying that a settlement appears to be close.

Negotiations ended early on Saturday morning between the Government and representatives of the striking Canadian Union of Postal Workers. Both sides blamed each other for not holding further talks over the week-end.

The talks have still not settled the issue of the Post Office's use of casual labour or any of the major wage issues. If a settlement is reached this week a vote will still have to be taken among the union's 22,000 members before the nation's mail service can resume. Such a vote can take up to three days.

"We're ready to compromise on wage and on week-end premiums," M. Jean-Claude Parrot, union Vice-President said. "But first there has to be some compromise on the other side of the table too."

Union leaders reluctantly concede that, in return for concessions on non-monetary issues, they may accept the Government's wage offer of $1.70 an hour or 38 per cent. over 30 months. Postal workers now earn $4.58 an hour.

AP-DJ

Voters must decide fate of $7.2bn. bond issues

NEW YORK, Nov. 3.

WITH A probable default by New York City looming over the horizon, voters across the nation on Tuesday will decide the fate of a hefty $7.2bn. of bond proposals.

Most of the proposals present voters with a fundamental economic choice. Supporters say that bond sales will create new jobs to alleviate double-digit unemployment rates prevailing in many areas.

Opponents argue against any further big increase in State and local debt and they cite New York's predicament as the fate awaiting local bodies living beyond their means.

Nowhere is the choice clearer than in Ohio. A "Blueprint for Ohio" programme, at $4.5bn., the biggest such proposal ever offered by any locality, is being pushed by Governor James Rhodes. The plan is being derisively labelled by a variety of opponents as a "Blueprint for Disaster."

The nationwide total, at $7.2bn. is the largest amount ever proposed in a non-presidential election year and second only to the $9.1bn. in 1968, according to the Daily Bond Buyer, a trade newspaper.

AP-DJ

'Squeaky' Fromme in court to-day

California, Nov. 3.

LYNETTE "SQUEAKY" FROMME, a freckle-faced follower of convicted murderer Charles Manson, goes on trial to-morrow accused of trying to assassinate President Ford by pointing a loaded but uncocked pistol at him on September 5.

At issue in the trial will be whether Miss Fromme, 26, knew enough about guns to pull back the loading slide of the .45 Colt automatic or whether she merely brandished the gun to get publicity for Manson and her fanatical views on the environment.

If found guilty of attempting to assassinate the President, Miss Fromme could receive a life sentence.

Reuter

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All replies which will be treated in confidence should include a C.V. and salary progression with specific reference to the way in which the applicant meets the requirements of the post and should be addressed to Vice President, Finance, Box A.5305, Financial Times, 10, Cannon Street, EC4P 4BY.

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COMPANY NOTICES

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The Transfer Books of the Company will be closed from 15th November, 1975 until 29th November, 1975, both dates inclusive.

BY ORDER OF THE BOARD
R. D. Oakes,
Secretary.
106, West Nile Street,
GLASGOW G1 2QY.

THE THOMSON ORGANISATION LIMITED

NOTICE IS HEREBY GIVEN that the following Registers of the Company will be CLOSED for one day only on Monday, 17th November 1975, for the preparation of Dividend and Interest Warrants:—

4.72% Cum. First Preference Shares, 21.7% Cum. Preference Shares and the 3% First Mortgage Debenture Stock—to be paid on Friday, 2nd January, 1976.

The 6¼% First Mortgage Debenture Stock 1983/88 and the 7¼% Unsecured Loan Stock 1987/92 to be paid on Wednesday, 31st December 1975.

BY ORDER OF THE BOARD
JAMES EVANS,
Secretary
4, Stratford Place,
London W1A 4YG.
29th October, 1975.

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PUBLIC NOTICES

HALTON BOROUGH COUNCIL

£550,000—Halton Borough Council Bills issued the 29th October 1975—due the 28th January 1976 at 11.50%. Applications totalled £2,200,000—£550,000 Bills are outstanding.

CINEMAS—Cont.

SCENE 3, Leic. Sq. (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00, 5.20, 8.40. Late Show Fri. and Sat. 11.45. Seats Bkble.—All Perfs.

SCENE 4, Leic. Sq. (Wardour St.). 439 4470. 2nd YEAR. The Film Everybody's Talking About. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Daily 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30. Box Office Open Daily 10-8. Sun. 12-8. Seats Bkble. —All Perfs.

WARNER WEST END Leicester Square. Tel. 439 0791.
1. Telly Savalas. James Mason. Robert Culp. INSIDE OUT (A). Cont. progs. Wk. 2.10, 4.15, 6.20, 8.30.
2. Gene Hackman NIGHT MOVES (X). Cont progs. Wk. 2.15, 4.15, 6.20, 8.30. Last 2 days.
3. VENIAL SIN (X) Sep. progs. 2.30, 5.30, 8.30.

ART GALLERIES

ABBOTT AND HOLDER'S SPECIAL EXHIBITION of 200 SELECTED WATERCOLOURS Starts to-day 5 p.m.-7 p.m. Thereafter daily until Nov. 15 at Alpine Club Gallery, 74 South Audley St., W.1. 01-629 2280

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. BRITISH PAINTINGS 1900-1975 including BERNARD DUNSTAN exhibition. Until 5 December. Mon.-Fri. 9.30-5.30. Thurs. until 7.0.

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THE PARKER GALLERY, 2, Albemarle Street, Piccadilly, W.1. Exhibition of old marine, military, sporting and topographical prints and paintings and ships models.

EUROPEAN NEWS

Pro-Communists predict Rightist Portuguese coup

BY JANE BERGEROL

LISBON, Nov. 3.

AGAINST a background of rising fear that extreme Left and Right in Portugal will try to unseat the sixth provisional Government this week, in the build-up to Angola's independence next Tuesday, the pro-Communists in the armed forces have published their prediction for a Right-wing coup.

Based on genuine military plans for exercises throughout the country shortly, it says the maneouvres are camouflage for a coup by the Right and by the Group of Nine army officers led by Major Melo Antunes. It went so far as to link Major Antunes with "Fascists," and politicians are seeing the coup denunciation as preparatory to another March 11 operation.

This could take the form, as it did on March 11, during the failed Spinolist coup which led to the Communists sweeping to power, of cracking down on a Rightest action, mobilising Communists and Far Leftists into vigilante commissions, manning roadblocks around the country and taking limited military action to secure Lisbon for the Far Left against the Group of Nine and the Government.

The Angola link would then be that the new rulers would recognise the Socialist Popular Movement for the Liberation of Angola as the sole representative government after independence on November 11.

General Otelo Saraiva de Carvalho, the chief of Copcon security forces, has come back on to the political stage with an appearance over the week-end at a large political meeting. Sources close to the military have let it be known he is making a more subtle appeal for support for a more revolutionary government than he has proven capable of before.

At the week-end meeting he talked of the need for popular assemblies and direct democracy, but tampered this with the need for "representative democracy" and "respect for election" while the people were organising themselves into what General Otelo calls a "proletarian revolution."

The general's new and more moderate line is being tried out not merely on the Communists and far Left, but also on the major political parties — all of whom have dissidents enough at the moment to lend some attention to the general's plan.

A document being circulated confidentially outlines a future for a "Portuguese federative republic," which would give great regional autonomy to areas as different as the north and the southern Alentejo and build up a system of local and regional people's assemblies along the lines of the famous "direct democracy" plan first aired by radical armed forces' officers as long ago as last May.

It appears a more acceptable melange of elections and revolution than the direct democracy plan itself, but is sufficiently ambiguous at present to be used as a tool for domination by the Communist Party and far Left, some political sources were commenting.

To-night in Lisbon, a major demonstration in favour of the Socialist MPLA was due to gather this evening, to put more pressure on the sixth Government to recognise the MPLA as the sole representative of the Angolan people. Called by the far Left united revolutionary front, it is expected to get strong Communist support as well.

No ceasefire in Angola, Page 8

Juan Carlos wins wider popularity

BY ROGER MATTHEWS

MADRID, Nov. 3.

PRINCE JUAN Carlos, Spain's acting Head of State, seems to have pulled off a notable political coup during his first few days in office. His four-hour visit to the Spanish Sahara yesterday has been tremenpopular with the army, on whom he will inevitably depend for support in the future, and has also found an echo in many other walks of life.

A measure of his success was that news about General Franco, who to-night was described as critically ill, pushed on to the inside pages of to-day's newspapers. Lyrical editorials praised the gesture of the Prince and suggested that Spain was once again in safe hands. The only Madrid morning paper published on a Monday devoted its first eight pages to the Prince and his family, recalling that he had even undertaken the journey on his wife's birthday.

GENERAL Franco survived *an operation last night to stop a serious stomach haemorrage,* informed sources said. *However, discreet preparations are going ahead for his lying in state,* which will take place at the Royal Palace, and his burial at the Valley of the Fallen, the massive Civil War memorial hewn from solid rock in the countryside outside Madrid.

However, opposition politicians pointed out that the Prince was demonstrating an impetuosity for the grand gesture that could prove fatal. Spain, they argued, would not stand for a war in the Sahara with hundreds or thousands of troops being killed and wounded.

Yet after all the years of immobility demonstarated by General Franco, who rarely stirred outside the Pardo Palace, it was an eye-catching trip and one that effectively promoted the importance of the army. Some senior commanders had been growing increasingly restless at what seemed to be the chicanery of Spanish foreign policy that failed to take into account the effect on army morale that a tame withdrawal from the Sahara would have.

Meanwhile, the Prince's father, Don Juan, the Count of Barcelona, has started a tour of European capitals. Don Juan has never relinquished his claim to the Spanish throne and says he will only do so if his son makes positive moves towards a democracy.

Prince Juan Carlos, who has been talking with his father regularly by telephone during the past fortnight, is still insisting that Don Juan must agree to renounce his claim, and some sources say he is prepared to make it a major issue.

The Spanish Left, next page

EEC opposes Swedish curbs

BRUSSELS, Nov. 3.

THE COMMON Market to-day rejected Sweden's decision to curb footwear imports and called for urgent consultations under the EEC-Sweden free trade agreement.

Informed sources said that the EEC Commission urged a Swedish delegation here not to apply the restrictions, which are due to come into force on Wednesday, until the consultations have taken place.

The curbs, designed to protect Sweden's hard-hit shoe industry, have also been criticised by some of Sweden's other trading partners, including fellow-members of the European Free Trade Association (EFTA).

The sources said the Community accepts that the Swedes have a case but argues they cannot invoke an article in the EEC-Sweden agreement, reserved for use in times of war or international crisis, as they have done in this instance.

The Community supplies about 60 per cent. of Swedish footwear imports worth about $50m. a year. About two-thirds of this would be affected by the curbs, which apply to leather and plastic shoes and rubber boots.

The Commission told the Swedish delegation, which was headed by the Swedish Ambassador to the EEC, Mr. Erik Von Sydow, that the terms of the agreement could not be applied differently for neutral countries.

Mr. Von Sydow was told that the accord provided for import restrictions for individual sectors in difficulty provided there were prior consultations between the two sides. But the Community could not accept the unilateral application of Article 21 of the agreement, which the Commission pointed out clearly applied to strategic materials in times of war or major emergencies.

Reuter

Air France strikers evicted

BY ROBERT MAUTHNER

PARIS, Nov. 3.

A THREE-WEEK-OLD strike of Air France ground staff escalated to-day when 200 riot police drove out the strikers from the airline's offices at Paris's two main airports.

The dawn operation, undertaken according to the management because of the serious safety problems caused by the lack of adequate maintenance of aircraft and the obstruction of runways, immediately sparked off angry union protests.

The Communist-led CGT and the Left-wing CFDT later announced after a mass meeting that ground staff had decided to pursue their action with a formal 24-hour strike instead of the wildcat stoppages of the past few weeks. Air France flying personnel has not been directly involved in the dispute.

Meanwhile, the CGT and CFDT has also called 24-hour stoppages on the Paris Metro and bus services as well as of electricity workers on three successive days this week, starting to-morrow.

W. German industrial orders improving

By Nicholas Colchester

BONN, Nov. 3.

THE SEPTEMBER order figures from the German Government's statistical office add substance to the better mood that has been detectable in German industry of late.

After seasonal adjustment by the Bundesbank, they show an accelerating rise in export orders over the past three months.

Domestic orders have moved less emphatically, but every sector of industry registered some improvement in September to levels above the averages at the beginning of this year.

Overseas orders have benefited from a striking recovery in the export orders of the capital goods industry. The September flow of such orders was 10.5 per cent. up on that for August and 22 per cent. above the figure for July.

As a result, seasonally adjusted capital goods orders in the third quarter were 11.2 per cent. above those for the second and seven per cent. above those for the first The equivalent quarterly comparisons for industry as a whole yield plus 7.2 per cent. and 4 per cent.

More interesting for Germany's trading partners are developments in the country's internal demand. The figures here are more difficult to judge because a government investment subsidy that operated till the end of June introduced a considerable distortion.

The seasonally adjusted indices for domestic orders for industry as a whole run 126, 133, 126 in the first three-quarters.

That the third quarter matches the first is thanks to a sharp recovery in domestic capital goods orders in September — chiefly due to unusually lively business in the market for electrical machinery.

Consumer demand, unaffected by the Government's investment boost, has moved out of its summer trough and plodded along in August and September at a seasonally adjusted 1.6 per cent. above its average level in the first half. This implies very little movement in real terms.

Comparing September with last September, overall orders were up 6 per cent., home orders were up 9 per cent. and overseas orders were unchanged. This makes it clear how the recent upturn in export orders is only appropriate to the export slump that preceded it and how domestic orders have behaved in a steadier, if unexciting, way.

Guy Hawtin adds from Frankfurt: The Bundesbank reported to-day that West Germany ended the first three quarters of the year with a balance of payments deficit of only DM1.64bn. (£310m.). At the same point of last year the deficit was DM3.54bn. (£668m.).

The West German Central Bank, which described the performance as a considerable improvement over last year, said that one of the main reasons for the reduction in deficit was the heavy fall in capital outflows during the first nine months.

Capital outflows in the first three quarters of 1975 totalled DM12.59bn. (£2.38bn.) against DM19.99bn. (£3.177bn.) in the same period of last year.

OPEC ECONOMIC EXPERTS MEET

VIENNA, Nov. 3.

ECONOMIC experts from the 13-nation Organisation of Petroleum Exporting Countries (OPEC) met to-day to discuss possible reduction of premiums added to some oil prices because of quality or other reasons. OPEC'S economic commission expected to discuss the complex premiums issue for several days, is to prepare a report for a meeting of OPEC oil ministers on December 20.

Reuter

EUROPEAN NEWS

Italian Communists get visas for visit to U.S.

BY DOMINICK J. COYLE

ROME, Nov. 3.

TWO HIGH-ranking Italian Communists are included in a parliamentary delegation visiting the U.S. this week, the first occasion, according to sources here, that U.S. visas have been issued to Italian Communist leaders.

Their inclusion in the delegation has evoked considerable political interest here, and Italian observers will be watching to see whether the two Communist Deputies have any direct contacts with White House officials. *The delegation's visit* is under the auspices of the Inter-Parliamentary Union.

There was a furore here some weeks ago when it was learned that Sig. Giorgio Almirante, leader of the neo-Fascist Italian Social Movement, had had discussions in Washington with a senior White House adviser and several Congressmen. This prompted two Leftist Senators who were persecuted during the Mussolini régime to cable President Ford, denouncing the Almirante visit.

Sig. Sergio Segre, the senior of the two Communist deputies in the present delegation, is the partys' foreign affairs expert. He was unable to accept an earlier invitation to address the New York-based Council of Foreign Relations because the U.S. Embassy here had intimated that immigration laws precluded the issuing of U.S. visas to known Communists, apparently other than to those visiting as part of a parliamentary delegation or in their capacity as journalists. Embassy sources insist that this situation has not changed.

In fact, it is understood Sig. Segre did not actually apply formally for a visa on that occasion, since he was aware of the general immigration restrictions. However, the Communist Party here is anxious to improve its relations with the U.S. (to date these have been maintained almost exclusively through the U.S. Embassy in Rome), and this week's visit could provide an opportunity for some direct contacts with the Ford Administration.

Sig. Segre himself has said that the Italian Communist Party has "every interest in improving and broadening our relationship with the United States . . . and in explaining our sometimes misunderstood point of view."

The party might claim that it was just such a "misunderstanding" that prompted Mr. John Volpe, the U.S. ambassador in Rome, to say explicitly in a recent interview here that Washington would be opposed totally to the participation of the Communist Party in an Italian government.

The Communists, who captured about 33 per cent. of the popular vote in the June regional elections, charged that Mr. Volpe's comments amounted to an unwarranted interference in Italian *affairs, and indeed some party* sources even doubted if the ambassador's remarks reflected accurately official U.S. policy.

However, these doubts—to the extent that they were real in the first place—were quickly dispelled when a U.S. State Department spokesman subsequently made clear that Mr. Volpe's comments were fully in accordance with U.S. Government policy.

Senator Franco Calamandrei, the other Communist Deputy in the delegation, said before leaving Rome that any attempt to separate Sig. Segre and himself from the overall purpose of the delegation was "pure provocation."

Hungary limits top earnings

By Paul Lendvai

VIENNA, Nov. 3.

THE HUNGARIAN Government has decided to issue new regulations that will considerably reduce the earnings of successful managers and therefore cut pay differentials.

From January 1 the bonus paid to managers in ratio to the profit performance of their enterprises can no longer exceed 30 per cent. of their basic salaries. A new device is a bonus geared to a "complex evaluation" of concerns' overall, long-term performance in research and development, *marketing or* export results. As this reward can only reach 10 to 20 per cent. of the basic salary, it places a ceiling on top incomes —thus even the ablest top manager of the largest company cannot earn more than a 50 per cent. bonus.

The régime obviously imposed the income ceilings for political and social reasons on the eve of a coming period of austertiy. It was feared that conspicuous consumption by the highest income brackets might lead to sharpening conflicts at a time when the average Hungarian is hit by many price increases.

Yugoslavia plans 5.5% rise in GNP

By Paul Lendva

VIENNA, Nov. 3.

YUGOSLAVIA'S gross national product (GNP) is scheduled to increase by 5.5 per cent. next year, according to the federal Government's draft resolution on economic and social policy to be discussed this week by the Yugoslav Parliament.

Increased output of energy, basic materials and food are described as priority tasks coupled with consolidating economic stability and improving international competitiveness.

Industry should increase its production by 6 per cent. and the agricultural sector by 4 per cent. Public and private consumption are planned to rise by 4.7 per cent., that is at a rate below the growth in GNP.

THE SPANISH LEFT

Demanding a clean break

BY ANTHONY ROBINSON

THE main Spanish Left-wing opposition groups, the Junta Democratica and the Plataforma Democratica, are at one in demanding a clean break with the Franco regime and the past as Prince Juan Carlos assumes his political inheritance.

But who are these parties, now seeking to emerge from decades of clandestine existence, what kind of organisation do they have behind them, what power do they have to impose their will on a structure consolidated through 36 authoritarian years?

The leaders of the parties acknowledge that one of their first priorities is to make themselves, their parties and their programmes known after years of clandestine activity.

It is widely agreed in Madrid political circles that political parties as such are in a nascent state, during which personalities are often as important as the parties themselves, which are often rather loose federations of a largely autonomous regional or local nature.

There is also widespread agreement that the party with the most effective clandestine organisation has been the Spanish Communist Party (PCE). It has the closest links with the working class through its leadership of the illegal trade union movement, the Commissiones Obreras, a well-known leader in exile, Sr. Santiago Carrillo, and the prestige accumulated through continual presence and opposition inside Spain throughout the Franco period.

Estimates of its paid up party membership and active *sympathisers vary widely from* 30,000 to 80,000. No one doubts that the PCE has a solid financial and organisational base, particularly in the key industrialised areas of the north, Madrid and other major urban centres. The PCE out did the Italian Communist in declarations of independence *from* Moscow. It came out strongly against the invasion of Czechoslovakia and has quarrelled openly with the Portuguese Communist Party and its leader Sr. Alvaro Cunhal, with whom Sr. Carrillo also fails to see eye to eye personally.

This moderate stance has left room for a series of smaller groups standing on the Left of the PCE. They range from the Partido de Trabajo, a revolutionary party which formally called itself the International Communist Party, to Marxist-Leninist extremist groups like FRAP, which believe in the violent overthrow of the regime and have been roundly condemned by the PCE and the democratic Left generally.

PCE spokesmen would like to see a unified trade union movement, but state that it would have to be formed by the will of the unions themselves. Like the Socialists, the PCE calls for the nationalisation of the seven major banks and the pharmaceutical industry. It also seeks closer control over foreign investment, but with guarantees in view of the key role which it plays in the development of the economy. It wants, too, what it calls a more socialist role for the state holding company INI which like its Italian counterpart IRI upon which it was modelled, already controls a large part of the Spanish economy.

Free elections

Party leaders believe that their initial maximum support in the event of free elections is not likely to be above 15 per cent. Partly, that is due to the cumulative effect of decades of propaganda, but also to a harsh legacy of suspicion amongst the other Left-wing parties which have either personal or historical memories of Communist hegemony during the closing stages of the civil war, achieved in large part through the ruthless purging of anarchists, Socialists, and others who failed to toe the Moscow line.

There is still widespread suspicion that much of the PCE's base is still essentially Stalinist in mental formation. Party leaders recognise this suspicion, but both civil war veterans and the young middle class lawyers who play such an important role in the party leadership insist that the old guard have been among the first to move towards a position which reduces the risk of a recurrence of that frontal opposition which characterised the civil war.

As one Civil War veteran and former Central Committee member said: "Of course, we are opposed to direct confrontation. After all, they have the arms and we do not. Our fundamental aim is to change the overall environment in which the armed police, the Civil Guards, and the army operate, to make them, too, feel part of a democratic Spain."

Clearly, the Communist Party will be a major force to reckon with in post-Franco Spain, although the moderate and extreme Right are determined to try and keep it down. But the party which believes it has the best chance of forming the basic pivot and principal depository of votes is the main-stream Socialist Party, the Partido Socialista Obrero Espanol (PSOE) led by a 35-year-old labour lawyer from Seville, Senor Felipe Gonzalez.

The PSOE, which is a member of the Socialist International, claims some 25,000 members and active sympathisers and can count on the financial and moral support of the principal Socialist and Social Democratic parties of northern Europe.

But it is handicapped by long years of scarce presence in the country during the absence in exile of its ageing leaders, and by its consequent inadequate organisational structure.

The party congress in Paris last year saw a massive renovation of the 11-man executive and 45-man central committee, followed by a continuing propaganda and organisational effort of the enthusiastic young men who are trying to re-establish the presence of this traditional Socialist Party and its trade union arm, the Union General de Trabajadores (UGT).

Its leaders believe that the PSOE, like the Portuguese Socialist Party of Sr. Mario Soares, could well gain around 30 per cent. of the votes in a free general election by attracting a large proportion of those Spaniards who favour a socialist and democratic transformation of Spain.

While the PSOE is the principal force in the so-called Plataforma Democratica, the more Marxist-orientated Partido Socialista Popular (PSP), led by Prof. Tierno Galvan, is a member of the Junta Democratica. The PSP is a much smaller party, whose leaders have remained in Spain throughout the Franco period and who claim a certain amount of working class and peasant support mainly in some areas of Andalusia and in scattered areas in the north of the country.

Its leaders are aware of the dangers of fragmentation of the Left and would like to see some form of eventual unification with the PSOE, from which it is principally divided by long-standing personal differences among the leaderships.

The other principal thread in the Left-wing opposition pattern is that of the Left-wing Christian Democrat movement, led by Prof. Joaquin Ruiz Jimenez, a former Education Minister under Gen. Franco in the 1950s and also former Ambassador to the Holy See. He acknowledges the secularisation of Spanish life over the last 40 years and admits that some 80 per cent. of the Spanish working class are imbued with socialist or communist ideas.

In spite of this, however, he believes that Spaniards are still fundamentally attracted to the basic human principles of Christian thought which his party seeks to represent. He underlines, that it does not aspire to become a confessional party linked directly to the Church.

Human rights

Prof. Ruiz Jimenez is a convinced advocate of the idea that the Communist Party, too, must be legalised. He wants the new constitution to include the principles of the 1948 UN Declaration of Human Rights. Prof. Jimenez summed up the arguments in favour of Communist participation in a way which echoes the ideas of the Left generally who fear the consequences of isolating the PCE.

Excluding the PCE, he told the Financial Times, would not only be a great injustice in view of the party's struggle for civil rights and freedom during all these years, but would also be a great historical mistake.

Without the participation of the PCE, a large part of the working class would remain not only outside, but against any new Government. To avoid another Civil War-type situation, it was vital to avoid putting the workers on one side and the middle classes on the other.

This insistence on the role of the middle class is of vital importance. It is a class which has only recently fully emerged and has never had the opportunity to express itself politically.

Obtaining middle class allegiance without losing contact with the working class is the principal challenge facing the Left at this time, but also, perhaps the greatest hope for the eventual triumph of moderation over the passion which has afflicted Spanish politics up to now.

Fokker designing new jetliner

BY MICHAEL VAN OS

AMSTERDAM, Nov. 3.

FOKKER, the Dutch arm of the German-Dutch aerospace company VFW-Fokker, has been working for some time on the design of a new civil aircraft for short and medium distances to succeed or possibly supplement, its present F-28 jet airliner.

The Schiphold-based company has received, via the Dutch Aerospace Institute, a conditional subsidy of Fls.17.5m. (about £3m.) for preparatory work on the design until end-1978. It is to be expected that at a later stage the Dutch will be pushing the aircraft as a new "European" aircraft and look for other partners and subcontractors.

It is believed that the Dutch Government went ahead with the subsidy—which will have to be paid back if the aircraft becomes a commercial project—when the British Government decided to put the Hawker-Siddeley HS146 on ice. That aircraft, which was due to be built with considerable government support, would have been a direct competitor to the successor of the Dutch F-28, which can carry about 85 passengers. Both Fokker itself and the Dutch Government had lobbied the British Government not to go ahead with the HS146.

Fokker is presently looking at the possibility of a twin-engine aircraft like the F-28 which might carry about 100 passengers over short and medium distances. It is in this area of the world aircraft market where the Dutch Government sees opportunities for a "European" civil aircraft in the 1980s.

At Fokker, research is currently concentrating on new types of wings such as the "supercritical" wing, new engine technology, incorporating higher capacity and lower noise, and on new materials and techniques for aircraft construction.

French-Turkish talks open

ANKARA, Nov. 3.

FRENCH FOREIGN Minister Jean Sauvagnargues opened talks with Turkish leaders to-day, expected to cover the Cyprus problem, Greco-Turkish relations and possible Turkish arms purchases.

The visit was seen by observers as a show of French impartiality in dealings with Turkey and Greece. Turkey is concerned that France is tilting heavily towards the Greeks by selling them arms and supporting them internationally.

Ankara also suspects that French support for Greece's application for full Common Market membership will lead to Turkey's isolation from the Community, of which it is an associate member.

Reuter

Metin Munir adds: The contract for the preliminary feasibility study for a submarine pipeline to bring water from the Turkish mainland to Turkish-held Northern Cyprus will be awarded within a fortnight, Mr. Kenan Atakol, Minister of Power and Natural Resources, of the Turkish-Cypriot administration, has said. Four British, and one French company have been short-listed and representatives of some of these recently held talks with the Turkish Cypriots in Nicosia.

Our Nicosia Correspondent writes: Cyprus President Makarios suggested to-day that Britain should undertake "on an international scale" an active role for a just and peaceful solution to the Cyprus problem.

Speaking after accepting the credentials of the new British High Commissioner, Mr. Donald MacDonald Gordon, the Archbishop, said that following the Turkish invasion of Cyprus, Britain, as one of the guarantors of the island's independence, assumed special responsibilities. Britain, he said, had so far failed to fulfil its treaty obligations towards Cyprus. However, the time was not too late and there were ways in which Britain could help.

He also declared that the Greek Cypriot side would not be prepared to resume inter-communal talks unless the Turkish side submitted concrete proposals on all aspects of the Cyprus problem. He said Turkey's declared readiness for talks, coming ahead of next week's Cyprus debate at the UN, was only aimed at misleading public opinion.

Reuter reports from the United Nations: Turkish Cypriot leader Rauf Denktash to-day left the possibility of declaring an independent Turkish Cypriot state if the UN General Assembly failed to adopt an acceptable resolution.

Mr. Denktash, who arrived in New York to-day, also called for equal treatment, a token of which he said would be to allow him to address the Assembly plenary. He said that he would formally request this in meetings he planned to have with UN Secretary-General Kurt Waldheim and Assembly President Gaston Thorn.

MOROCCO'S MARCH ON SPANISH SAHARA

Heading into quicksands

BY JAMES BUXTON, RECENTLY IN MARRAKESH

THE SELF-CONFIDENT smile King Hassan of Morocco has been displaying recently must have darkened into a heavy frown on Sunday when he heard that Spain was intending to repel his "peaceful march" into Spanish Sahara. For if Spain has reversed its policy over the territory, the King faces a possible diplomatic humiliation which could gravely weaken his position at home.

For the past 2½ weeks things had gone very much King Hassan's way. On October 16 the International Court of Justice at The Hague gave its ruling on Morocco's and Mauritania's claim to the Spanish territory. It decided that although some of the peoples of the area had had ties of allegiance with the rulers of both countries before Spain moved in in 1884, neither country could claim sovereignty over it.

King Hassan hailed this as a victory, content in the knowledge that many Moroccans and a large number of other Muslims would regard ties of allegiance as equal, if not superior, to sovereignty. At the same time he announced that 350,000 Moroccans would set off from their homes all over Morocco and march into the territory, "recovering" it for the Moroccan throne.

An elaborate plan, which would be the envy of many a developing country, swung into action. Each town's quota of marchers was easily recruited; vehicles were quickly requisitioned, Government offices laid on food, medical and breakdown facilities, and the marchers set off for the border area at Tarfaya with a huge display of enthusiasm. Lavish arrangements were made to ensure that the world Press reported that the march was a reality.

It was a little uncertain what the marchers would actually do when they crossed into the territory and the actual date of the march was never disclosed. The Moroccans claimed that no Spanish troops would dare fire on a column of unarmed people, but Moroccan talk of the 350,000 people camping in Spanish Sahara while the country remained under the control of Spain and the Spanish Foreign Legion was never very convincing. The Moroccans appear to have banked on Spain withdrawing the bulk of its forces before the march began. If that were the case, the Moroccan marchers would probably have been happy to see only a token force cross the border.

In the talks with the Spanish government, which began in earnest after the marchers had started to assemble, but which may well have begun even before the International Court announced its verdict, it appeared that Spain would indeed withdraw from the territory, probably allowing Morocco and Mauritania to divide it between them. In return it would retain a share of the territory's vast phosphate wealth, some military installations to defend the nearby Canary Islands, and fishing rights off the coast. Morocco, it appeared, had with its march put in the highest bid for Spanish Sahara.

'King Hassan's position would be in jeopardy if the marchers had to go back empty-handed'

Morocco, when it became independent in 1956, laid claim to Spanish Sahara, among other areas. As decolonisation appeared to come closer, the Moroccan clamour increased, assiduously fostered by King Hassan. But the undeniably strong patriotic feeling that the territory should be "recovered" by Morocco masks a strong economic interest.

Morocco is the world's largest exporter of phosphate, used in the manufacture of fertiliser, and because it controls about a third of the world market it was able to increase the price of phosphate nearly five-fold in 1973-74, raising it from $14 a tonne to the present $68. The first results were spectacular. Soaring revenues enabled the economic plan targets to be raised and financed an import boom. Ambitious plans to boost phosphate exports from the 1974 figure of 19m. tonnes to 22m. tonnes this year were hatched by the State phosphate monopoly.

But high prices have brought a drop in demand. With some American exporters prepared to sell at below the Moroccan price, Morocco can only maintain the price by cutting output. By the end of August this year only 9.8m. tonnes had been produced, and for the year as whole total production is not expected to be more than 15m. tonnes, or 30 per cent. below the original target.

Although that will still bring in $1.2bn., or 55 per cent. of the country's foreign exchange earnings, it is not as much as expected. Development targets have had to be trimmed while inflation has caused strikes and unrest. But worse still, as the Bu Craa phosphate mine in Spanish Sahara comes on stream, Morocco's dominant role in the market is beginning to suffer. Last year its output was 1.5m. tonnes but within the next two years Bu Craa could be producing 10m. tonnes of phosphate a year and has the world's largest known phosphate reserves (1.7bn. tonnes) to draw on. If Morocco were able to secure Bu Craa it would be able not only to share the revenue but to maintain its domination of the market.

For the past two years King Hassan has been able to divert attention from the illiberal nature of his regime, from the relatively slow economic development, and from the extensive poverty and the inequality of wealth in the country by the windfall gain in phosphate revenue, and by playing the anti-Spanish card. The two main opposition parties, the Istiqlal, and the more progressive Union des Forces Populaires, muted their attacks on the Government in return for a commitment to reclaim Spanish Sahara. Elections, which were to have been held last month, were postponed until after the Sahara issue had been settled. In August, King Hassan promised that Sahara would be recovered by the end of the year.

Mauritania would doubtless have liked to take the whole of Spanish Sahara but does not have the strength to do so. It has had to be content with supporting Morocco and hoping for a share of the territory.

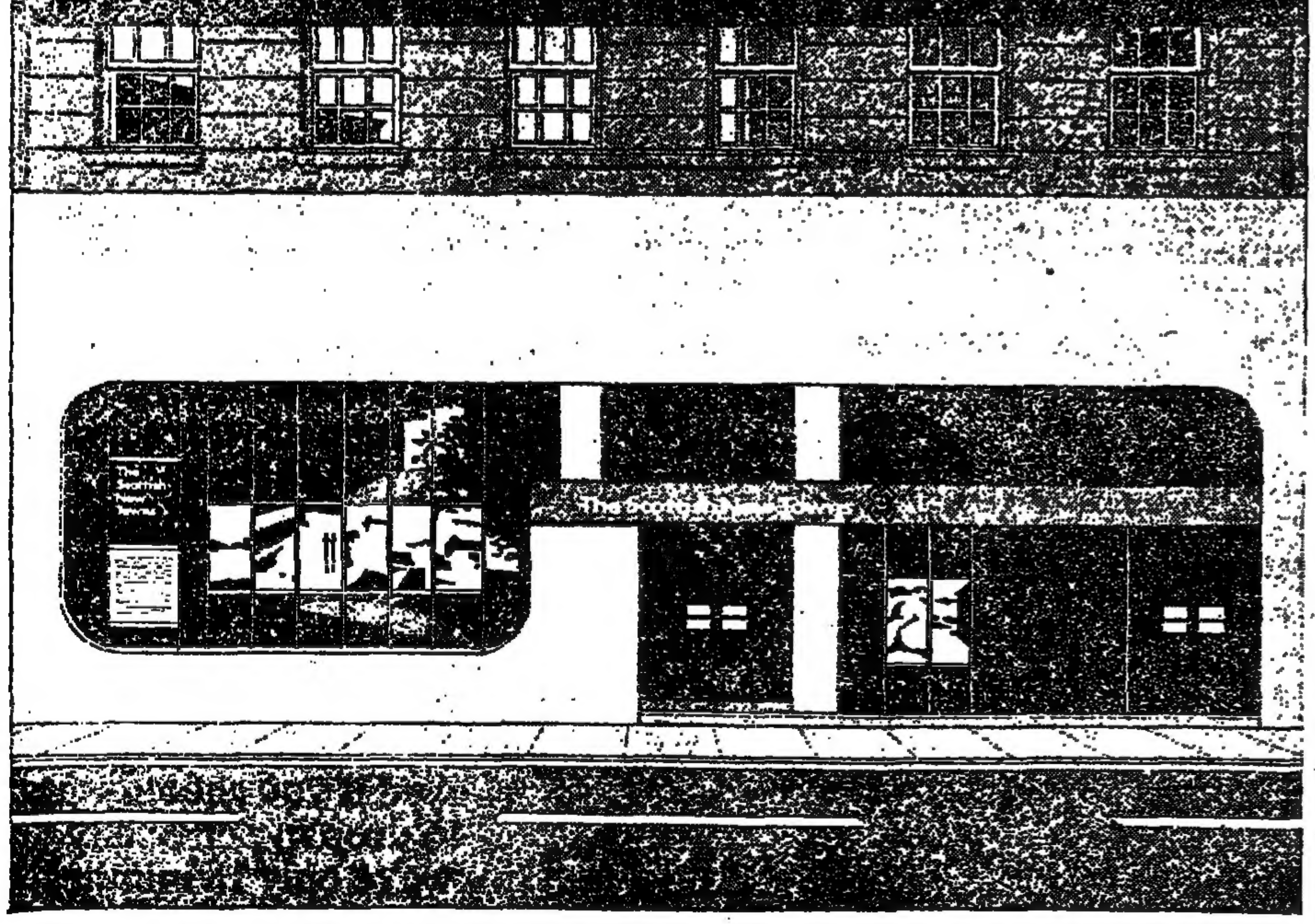
Morocco correctly gauged that even if Spain was prepared to go along with its policy, there still was a threat from Algeria. Algeria, apart from having deep ideological differences with the Moroccan regime, has no wish to see Moroccan influence extended. It would prefer Spanish Sahara to be independent, and it has backed an independence movement, the Frente Polisario, which has a fairly successful guerilla wing. The Polisario easily upstaged the Sahaoui National Union Party (PUNS) which Spain originally hoped would be the vehicle by which the territory would become independent while retaining close links with Madrid.

Algeria, King Hassan thought, had no answer to the march and was unlikely to go to war since its own frontiers were not directly threatened. It was in any case isolated diplomatically as support from almost every Arab country poured in to King Hassan. The Polisario, it is claimed, could not operate indefinitely in what is essentially desert against a concerted enemy who had command of the air and was prepared to poison wells and use other anti-guerilla tactics.

But Algeria has been able to put pressure on Madrid by threatening to cut off gas supplies if Spain does a deal with Morocco and Mauritania. The Spanish Government, now under Prince Juan Carlos, appears to have seen the advantage of being aligned with the majority at the United Nations. After a *volte face* this weekend it appears more firmly committed to self-determination for the territory than it has ever been before.

A UN sponsored solution by which a referendum would be held for the Saharians to decide their own future would seem a reasonable outcome to the crisis. But that would involve King Hassan in a major climbdown as his marchers become restless at the border and those Moroccans who have stayed at home find that there is nothing to show for the serious economic dislocation that the diversion of transport to the march has caused.

King Hassan's position would be in jeopardy if the marchers had to go back to their homes empty-handed. The area in which a compromise might be found is very limited. King Hassan has said that his troops would go in to protect the marchers were they attacked. Armed intervention in advance of the civilian marchers would be at variance with everything King Hassan has said about his intentions.



Lebanese believe they are heading for peace

BEIRUT, Nov. 3.

JOINT Lebanese - Palestinian forces policed another cease-fire in war-ravaged Beirut to-day and a Government spokesman said that Lebanon has finally surmounted its seven-month-old crisis and was headed toward lasting peace between Moslems and Christians.

Fierce fighting over the week-end claimed another 150 lives, raising the casualty toll in the latest eight-week bout of warfare between Right-wing Christian and Left-wing Moslem militias to nearly 1,200 dead and 3,000 wounded.

After day-long talks with rival Government and militia leaders, Premier Rashid Karami announced that all sides had agreed to abide by the cease-fire agreement reached on Saturday but flagrantly violated throughout the week-end as Moslems pressed ahead with their week-old offensive on Beirut's Christian-held hotel district.

By late Sunday night, however, the fierce rocket and mortar clashes had died down to only sporadic shooting and the cease-fire—the 12th in eight weeks—finally appeared to be taking hold.

Industry Minister Ghassan Tueni, who has become the Government's most articulate spokesman, said he believed the results of Sunday's meetings marked a "turning point" and that Lebanon was finally on the road towards a lasting peace.

"We hope we have surmounted or at least are on the way to surmounting the crisis. Until to-day, all parties kept on trying to make the largest gains but to-day we managed to create a joint will for real peace," Mr. Tueni said.

He said the 20-man national dialogue committee, whose meetings to discuss political and social reform were suspended at the outset of the current fighting would meet again to-day.

The first attempt to implement Saturday's cease-fire fell through when neither side appeared willing to withdraw from its positions around the seaside hotel district as called for under the agreement.

Political sources said another attempt would be made during the night provided no major cease-fire violations erupted.

Under the agreement, both sides will stage a phased withdrawal from their street corner and roof-top positions, starting with the devastated eastern suburbs and ending with the shell-damaged and fire-gutted hotel district.

Lebanese security forces will take over the Christian positions, while joint Lebanese-Palestinian guerilla units will move into the Leftist areas, the sources said.

The plan in effect would set up a series of buffer zones between rival Christian and Moslem neighbourhoods throughout the city. Whether or not it works remains to be seen. Attempts at similar disengagements have never lasted for long.

The week-end fighting was some of the fiercest since the clashes first erupted in April. Since then, an estimated 3,000 people have been killed and 7,000 wounded.

Socialist leader Kamal Jumblatt said he hoped "the spring and summer storms have ended." Right-wing Phalangist Party chief Pierre Gemayel said it would be a "catastrophe" if the dialogue committee failed in its task.

Interior Minister Camille Chamoun was not at the meeting. Mr. Chamoun, who heads the Rightist National Liberal Party, had pressed unsuccessfully for army intervention to bring law and order to the country.

A fire in a chemicals depot in the Karantina port district showed the country still had a long way to go to end the crisis. A fire brigade spokesman said four attempts by fire engines to reach the blaze had failed when they were fired at: "We sent an armoured car, but that too came under fire," the spokesman said.
UPI

'Measure of agreement' claimed in Smith-Nkomo discussions

BY TONY HAWKINS

SALISBURY, Nov. 3

DELEGATIONS from the Rhodesian government led by Ian Smith and the African National Council, led by Mr. Joshua Nkomo, held their second round of preliminary talks here this morning. A joint statement said that "considerable measure of agreement" was reached on a number of points put forward by both the Rhodesian government and the ANC at the Victoria Falls conference, on August 25 for a "proposed course of action aimed at achieving a settlement."

The statement referred also to "certain outstanding matters" which are being pursued and further discussions are to take place in the near future.

It is understood that talks will resume next week and sources said that both sides were anxious to move quickly to the "make or break" stage of the discussions.

The meeting was immediately condemned as "destructive and fruitless" by a spokesman for the Muzorewa wing of the ANC, while in Bulawayo the acting President of this group, Dr. Gabellah, said his party had not been invited to participate in the talks.

A Muzorewa spokesman in Salisbury described the talks as discussions being held by two minorities that would fail because they ignored the position of the majority, which he claimed, supported the bishop.

In the continuing verbal slanging match between the two ANC factions, Mr. Nkomo sharply attacked the bishop for his week-end claim that Mr. Nkomo had agreed to a secret deal with the Smith government.

Mr. Nkomo said he was being attacked for conducting preliminary talks in Rhodesia by the same man (Bishop Muzorewa) who had held talks in 1973 with the Smith government and even reached a secret agreement last May with Mr. Smith. Mr. Nkomo said he could produce a copy of the secret deal between the bishop and the Rhodesian Prime Minister and he challenged Bishop Muzorewa to do likewise.

Sources close to the Smith/Nkomo talks describe the atmosphere as "cordial," but stress that the discussions are still only preliminary. One of Mr. Nkomo's aides repeated that the ANC delegation would not budge from its demand for immediate Black rule with a transitional period of months rather than years.

Political commentators here believe that the talks are destined for an early failure—probably before Christmas—unless the ANC moderates its stand. The crux of the matter is that the two sides are talking at cross purposes. The ANC wants early—if not immediate—Black rule, by which is meant a Black government within three years at the very most.

But the Smith government is not talking about transitional periods as it does not concede that early Black rule is inevitable.

Instead, it is looking for the kind of gradual evolution to Black government agreed upon with Sir Alec Douglas-Home in 1971.

MPLA denies Angola ceasefire

LUANDA, Nov. 3.

THE Popular Movement for the liberation of Angola (MPLA) to-day denied a Reuter report yesterday that the three warring liberation movements in Angola had agreed to a ceasefire.

In Kinshasha, the Zaire Azap news agency also quoted sources close to the other two liberation movements, the National Front for the Liberation of Angola (FNLA) and the Union for the Total Independence of Angola (UNITA) as denying the report.

A spokesman for the Information Ministry of the MPLA government controlling Luanda, said the MPLA had not agreed to a ceasefire and that the two other movements were still fighting.

Azap quoted its sources as saying: "There has never been a ceasefire and it is absolutely false to speak of one at the present time."

Portuguese High Commission officials in Luanda said last night that a ceasefire had been agreed from 6 a.m. on Saturday by leaders of the three movements.

In Nairobi, the Soviet Union to-day said it will support a unilateral declaration of independence by the Marxist guerilla group MPLA in the next few days.

Moscow made known its intention to intervene directly in the Angolan situation by extending diplomatic support to the MPLA in a note delivered to President Idi Amin of Uganda.

President Amin immediately placed the Soviet Note before an emergency conference of African nations meeting in Kampala to try to arrange a ceasefire between Angola's guerilla groups.

The Ugandan leader reiterated the position of the 46-nation Organisation of African Unity (OAU), of which he is chairman, which called for a Government of national unity.

Blaming the civil war on "imperialists — South African mercenaries, China and the United States," the Soviet Note delivered to President Amin said:

"It is the intention of the MPLA to assume responsibility for the whole of Angola when the Portuguese withdraw on November 11 and to conclude an understanding with the USSR.

"Moscow intends to recognise Angola when the MPLA comes out with a declaration of independence and the Soviet Union will then recognise a new state."
Reuter, UPI

Portugal to consult all groups on Timor's future

ROME, Nov. 3.

PORTUGAL is to organise an early meeting with representatives of all political groups in Portuguese Timor to try to end the civil war there, according to an official communique published here to-day.

The joint statement was issued after two days of talks in Rome between Indonesian Foreign Minister Adam Malik and his Portuguese counterpart, Major Ernesto Melo Antunes.

The statement noted that Portugal represented the legitimate authority in Portuguese Timor and held fundamental responsibility for its decolonisation.

A Portuguese Embassy spokesman said this meant the two Ministers agreed there should be no internationalisation of the Timor conflict and no foreign interference.

The key passage of the 500-word communique read: "The two Ministers agreed that the fundamental responsibility for the decolonisation of Portuguese Timor lies with Portugal, and that Portugal, as the legitimate authority in that territory, engages itself to undertake all efforts towards the speedy and orderly implementation of the act of self-determination by the people of Portuguese Timor."

In view of the recent fighting on the island, the two Ministers agreed "on the urgent need to restore peace and order in the territory," the statement continued.
Reuter

Whitlam rejects Fraser offer

CANBERRA, Nov. 3.

PRIME MINISTER Gough Whitlam to-night rejected an offer by opposition leader Malcolm Fraser to end Australia's political crisis.

Mr. Fraser offered in Melbourne to-day to end a Parliamentary blockade of the government's budget Bills in return for a pledge by Mr. Whitlam to hold a general election by the middle of next year.

Mr. Fraser made his offer to allow the Senate, where the opposition Liberal and National Country parties hold a slim majority, to pass the Labour government's vital money Bills after meeting the Governor-General, Sir John Kerr.

However, a statement, issued by the office of the Prime Minister in Canberra to-night, said the government "asserts that the political problems of the day must be settled in the Parliament and not by some backdoor deal."

The Prime Minister's Press Secretary, Mr. David Solomon, said later: "In case you are in any doubt, that statement is an explicit rejection of Fraser's offer."

The tall, jut-jawed opposition leader, whose Senate forces have twice delayed passage of money supplies because of Mr. Whitlam's refusal to call immediate national elections for both the Senate and House of Representatives, spent 38 minutes with Sir John before issuing a statement to the Press.

He said he had told the Governor-General the opposition would pass the budget Bills immediately on the clear understanding that an election for the House of Representatives was held at the same time as the next Senate election.

Constitutionally, an election for at least half the Senate's 60 seats must be held before June 30, 1976.

The opposition leader, who had hitherto refused any compromise to end the Parliamentary deadlock, said he had made his proposal because he believed commonsense, reason and concern for the people of Australia must prevail.

It was now up to Mr. Whitlam "to decide whether he will continue to defy the constitution, or allow the people to vote."

Mr. Fraser charged that Mr. Whitlam had taken a dangerous step by announcing over the week-end that his government would continue governing without budget funds and threatening to use unspecified "legal means" to obtain money for day-to-day government business without Parliamentary approval.
Reuter

China puts blame on India for Tibet clash

PEKING, Nov. 3.

CHINA to-day blamed India for a clash in which four Indian soldiers were killed on the disputed mountainous Indian-Tibetan border last month.

A statement by a Foreign Ministry spokesman rejected New Delhi's protests that the soldiers were inside Indian territory at the time.

It said the patrol intruded into Tibet near the Tulung Pass at the eastern end of the frontier on October 20 and was told by Chinese border officials to withdraw.

The Indian soldiers opened fire and "Chinese civilian check-post personnel were obliged to fire back in self-defence," the statement said.

It described New Delhi's claim that the soldiers were within Indian territory as "a sheer reversal of black and white." It called on the Indian government to take measures to prevent similar incidents.

The statement said China handed a note of protest to the Indian Embassy here only two days after the clash.

It said that on October 25, the Indian charge d'affaires in Peking called at the Foreign Ministry to make arrangements for the collection of the soldiers' bodies.

The statement added it was plain that Indian troops crossed into Tibet and opened fire in provocation. It accused New Delhi of spreading the slander that the Chinese laid an ambush.

The clash is the first to be reported for many months. In 1962, border incidents came to a climax with a Chinese assault which drove the Indian temporarily from 35,000 square miles of territory.

To-night's statement reiterated that China would maintain the satus quo along the border pending a proper settlement of the dispute.

Asked about the statement, a spokesman for the Indian Embassy maintained the clash took place more than a quarter of a mile inside Indian territory. He said the killing of the soldiers was totally unprovoked and unjustified.

Observers noted that, unlike recent Peking attacks on New Delhi's actions, the statement did not claim the Soviet Union had a hand in the affair.

They said this and the tone of the Chinese reply indicated that, while refusing to accept any responsibility for the incident, Peking did not want it to turn into a crisis.
Reuter

India eases bank credit restrictions

By K. K. Sharma

NEW DELHI, Nov. 3.

RESTRICTIONS on bank credit to industry have been relaxed by the Reserve Bank in the first step towards revitalising the Indian economy, now in the grip of recession and growing inventories.

The Prime Minister, Mrs. Indira Gandhi, will confer with her senior colleagues this week on a note for the Cabinet prepared by officials, suggesting ways to revive demand for goods accumulating in factories and at the same time keep a firm check on rising prices.

Indications are that the government will go some way to agree to industry's demands for tax relief, although this will not be to the extent sought by industrialists.

Selective concessions on excise duties are to be restricted to intermediate products and one of the main beneficiaries are small electric arc furnaces producing steel, of which there is currently a glut in India. But tax relief for "luxury" items like cars, air conditioners and refrigerators, stocks of which are also piling up, is not being considered, it is learnt.

The Government hopes their problems will be solved with the increased demand resulting from higher incomes of farmers now harvesting a bumper summer crop. These units are to be encouraged to diversify production and an inter-Ministerial group is to be set up to study this and arrange credit for them from public financing agencies.

Pakistan's deficit reduced

By Iqbal Mirza

KARACHI, Nov. 3.

PAKISTAN'S overall balance of payment recorded a deficit of above rupees 910m. during January-March compared with over rupees 2,340m. in the October-December 1974, period, according to figures released by the State Bank of Pakistan.

The reduction compared to the preceding quarter was the combined result of a decline of rupees 810m. in net payments under the goods and services account and increased inflows of over rupees 350m. and 260m. in unrequired transfers and capital account respectively.

The breakdown of monetary movements shows that the gold and foreign exchange reserves held by the State Bank declined by over rupees 470m. to rupees 4,190m.

Meanwhile, the rate of domestic savings in the country has been showing a declining trend over the past few years, necessitating an increased share of foreign assistance in financing the development programme.

ADVERTISER'S ANNOUNCEMENT

We'll take more care of you

British airways ANNOUNCE

No. 5 November 4, 1975

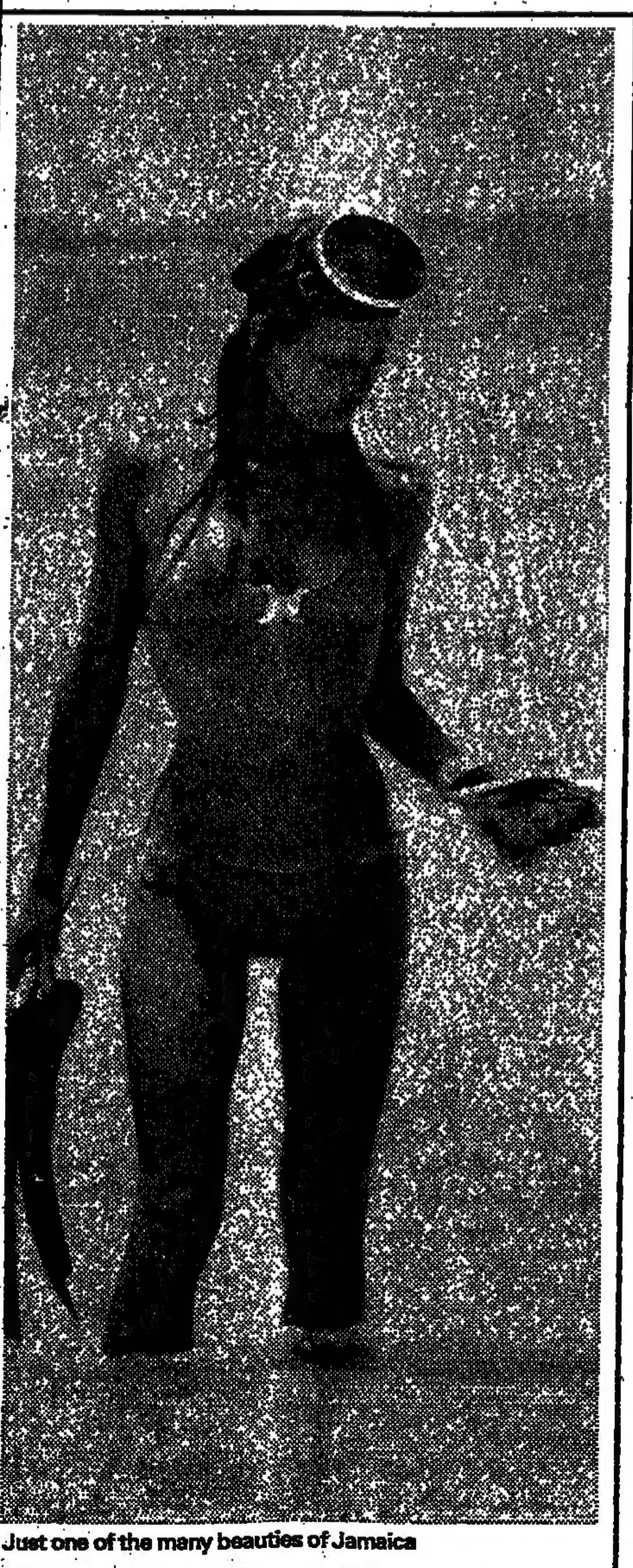
Fly the flag

199 flights a week for northern Europe

BETTER TIMES FOR EXPORTERS

BRITISH AIRWAYS' flights to the important industrial and financial centres of northern Europe have been improved and retimed this winter in a move which should make life easier for the hard-pressed executive flying to do business in this area.

Businessmen commuting from London or the provinces to Germany, Switzerland, Austria, Scandinavia or Finland will have a total of 199 services each week from which to choose.



Just one of the many beauties of Jamaica

Many flights to Germany have been re-scheduled to give better departure times from London, and to allow the executive to be back home in time for dinner.

But the new timings, with afternoon departures out of Britain, take care of the man who wants to nightstop so that he is on the spot when German businesses start up at 8am.

Games

British Airways is the only airline offering First-Class seats on all their services to Frankfurt, Hamburg, Munich, Stuttgart and Dusseldorf — a point of particular interest to the executive who wants to work in quiet surroundings on the journey.

For those who want to mix pleasure with their business. British Airways will provide coach connections from Munich to the Innsbruck area during the Olympic winter games between February 2-15.

In drawing up the winter timetable. British Airways paid particular attention to the important business centre of Zurich, so that there are good morning departure times.

One of the Zurich services stops overnight to provide an early-morning return for London.

Geneva and Vienna both have a morning flight out of London, and on each of these routes British Airways is offering First-Class service.

Timing

To Gothenburg, the thriving industrial and port area on the Swedish west coast, and to Oslo in Norway, British Airways has frequent services and is the only airline with First-Class seats on all flights. These are also available on the daily flight to Helsinki.

There are two services each day to Copenhagen, with some flights operated by TriStar, while a new timing to Stockholm lands the British executive in the Swedish capital in time for dinner so that he can start work refreshed early next day.

The crunch ... Don't miss American Football

Egypt —the land of new deals

REVISED flight timings by British Airways for the winter will make it easier for British executives to do business in the thriving markets of Egypt.

Services now leave Heathrow Airport, London, for Cairo on Tuesdays, Wednesdays, Fridays and Sundays at 0900, arriving at 1540 local time.

Previously, some of these flights departed Heathrow late at night, arriving at Cairo in the early hours of the morning — giving the businessman only a few hours of rest before meeting his contacts.

Chance

The return flights leave Cairo this winter at 1800, arriving Heathrow at 2105.

This gives the British executive the chance to do a full day's work before he boards the aircraft — either a VC 10 or a Boeing 707.

Fares are £442.20 first-class return and £300.20 economy-class return, but there is also a 10-day/one-month excursion for £192.20 return.

... and ancient glories

RITISH AIRWAYS' scheduled jets from London to Cairo meet the needs of discerning holidaymakers, as well as for businessmen.

eedbird Holidays, promoted by the airline, are offering this winter a range of exclusive holidays which have the twin attractions of sunshine, and an insight into one of the oldest civilizations in the world.

om £189, there is a seven-night holiday in Cairo, seeing the pyramids and the Sphinx, mosques and bazaars.

om £365 there is an escorted Nile cruise for 14 days, taking in Luxor, the Valley of the Kings, including the tomb of Tutankhamun, and Aswan.

d from £320, there is an escorted "Land of the Pharoahs" tour over 15 days, which includes four days in Luxor.

For more details see your local travel agent

The wide, direct way to Jamaica

BRITISH AIRWAYS is the only airline which can fly you direct in a spacious, wide-bodied Boeing 747 between London and the sunshine of Kingston, Jamaica, this winter.

A British Airways 'jumbo' leaves London Airport every Wednesday and Saturday morning for Kingston.

Within a few hours, the winter-bound British businessman, holidaymaker or visitor of friends and relatives is touching down in the picturesque capital of Jamaica, set beneath the Blue Mountains.

For the holidaymaker who plans well ahead, an advance booking charter (ABC) ticket through Overseas Air Travel, a wholly-owned subsidiary of British Airways, can cost as little as £140 return.

Flights, which must be booked not later than 63 days before departure, are on British Airways regular scheduled services, with all the advantages of this type of travel — spacious, full meals and drinks services, and, at a small extra charge, in-flight films, and multi-channel audio plugged into every seat.

Take French Leave...

A SERIES of holidays under the provocative title of *French Leave* will bring the South of France within the reach of the stretched purses of many Britons this winter.

Seven days in Nice with bed and breakfast costs from £59; in Monte Carlo from £92. But the choice of hotel is left to the customer — from the modest family-run establishment, to the "magnifique".

All flights are by British Airways scheduled services. Transfer by car to the hotel is included in the cost.

Fly the flag on the 'blue riband' route

A NEW sort of record is being claimed this winter by British Airways across the North Atlantic — the "blue riband" air route which has attracted so many record-breakers in the past.

The airline is going to fly to more cities in the United States than any other which operates out of Britain. In addition, it will have more non-stop Boeing 747 services.

British Airways is also the only operator with services to the US out of Prestwick and Manchester. So, for the businessman based in Scotland or the North of England, flying to the United States with British Airways does not mean travelling down to London before the Atlantic crossing begins.

This winter, British Airways' U.S.-bound passengers will have a choice of services out of Britain to Anchorage, Boston, Chicago, Detroit, Los Angeles, Miami, New York, Philadelphia and Washington.

The 747 jets operate on the routes to New York, Chicago, Detroit, Miami, Washington and Anchorage while to Los Angeles British Airways has a DC 10 service.

"You can undo your seat belt now, sir."

30 years with SAA

THIRTY years of cooperation on the route between London and Johannesburg will be celebrated on November 10 by British Airways and South African Airways. It was on November 10, 1945, that a York — a World War II transport aircraft converted to carry airline passengers — took off from Johannesburg bound for Britain. Later the same day a similar plane left Britain on the south-bound run. In 1945, the journey took 69 hours, with long stops at Cairo and Nairobi. Today, the flight time is as little as 12½ hours.

Ideas that you can trade on...

AS the British businessman travels further and wider in the search for expanding world-wide markets, British Airways has established a range of support services to help him win the battle for exports.

These services are marshalled by the British Airways Business Travel Service and are outlined in two volumes entitled. *British Airways and the Business Traveller*, copies of which are obtainable on application to the airline.

Briefly, British Airways offers the international businessman:

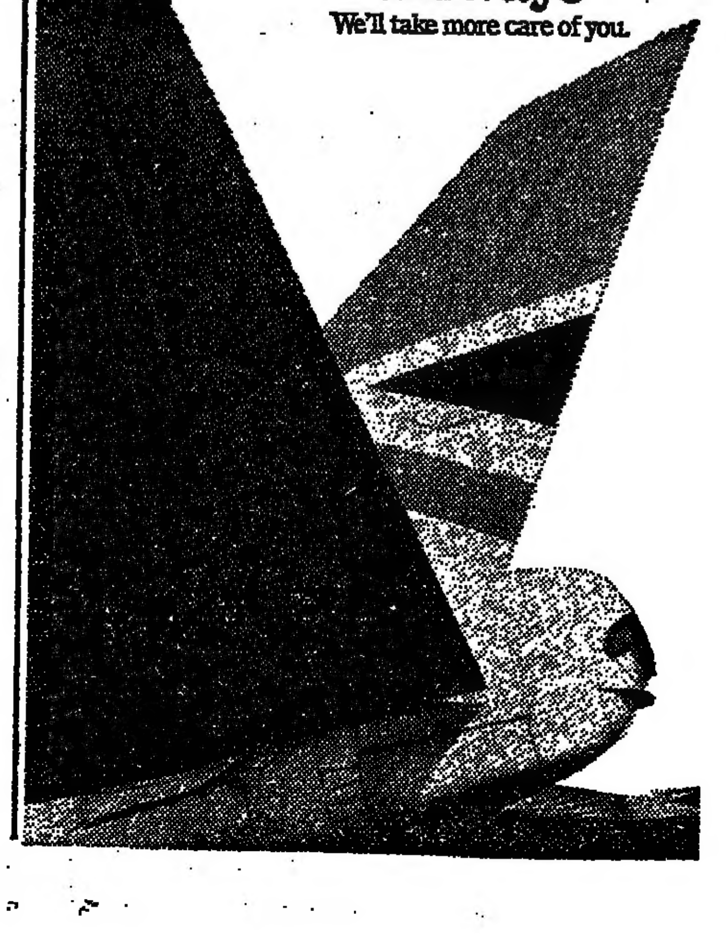
Convention Bureau — A free advisory service on all aspects of holding a conference abroad, including the construction of packages for groups attending international conferences.

Business Incentives — Advice on offering travel incentives to staff as a spur to greater personal effort.

Trade Fairs and Exhibitions Information on trade fairs worldwide coupled with special inclusive travel arrangements at advantageous rates by British Airways in association with leading travel agents.

Study Tours — Fact-finding inclusive tours designed for trade associations or other common interest groups. Arranged to your specification to study new techniques, look at overseas competitors, exchange ideas and establish new contacts

Thinkaway Packages — the idea that executives think better together in groups in some quiet, away-from-it-all spot overseas. A variety of travel ideas and peaceful venues is provided. For further details telephone 01-370 4255.



HOME NEWS

Talks hold up U.K.-Canada nuclear plan

BY DAVID FISHLOCK, SCIENCE EDITOR

EFFORTS TO transfer the highly successful Canadian nuclear reactor technology to the U.K., to help with the new British nuclear power programme, are being held up—despite initial Canadian enthusiasm—pending the outcome of talks between seven nations on the exporting of nuclear technology.

Although the bilateral Anglo-Canadian agreement is ostensibly independent of the so-called London Group talks, in which the seven nations with the most immediate interest in nuclear exports have been meeting secretly in London this summer, no agreement is likely ahead of some measure of agreement between the seven.

Similarly, the U.S.—another participant in the London Group talks—is unlikely to conclude a bilateral agreement on the transfer of reactor technology to Egypt until the seven reach some degree of accommodation.

The seven nations, which begin their fourth meeting in London to-day, are the U.S., the USSR., the U.K., Canada, France, West Germany and Japan. They were brought together at the instigation of the U.S. Government, following India's explosion 18 months ago of a plutonium charge derived from Candu reactors supplied by the Canadians.

The Canadians were deeply concerned at what they regarded as a flagrant misuse of technology transferred under specially attractive commercial terms solely for the production of electricity.

All power reactors, however, produce plutonium—a potential nuclear explosive—as a by-product of normal operation. Reactors can also be operated in such a way as to increase the production of the plutonium-239 isotope required for an efficient explosive, by sacrificing efficiency as an electricity source.

But even when operated as an efficient power producer, a 1,000 MW reactor would still produce about 250 kg of plutonium a year.

Bomb wrecks car, but driver lives

LONDON SOLICITOR Mr. Richard Charnley had an amazing escape from death when a bomb blew up his Mercedes in Connaught Square, near Marble Arch, yesterday. Mr. Charnley, who was inside the car (pictured above) when the bomb went off, was taken to hospital with facial cuts and a leg injury.

Petition on NVT subsidiary adjourned

Financial Times Reporter

A COMPULSORY winding-up petition against the Norton Villiers Triumph Manufacturing company, based at Small Heath, Birmingham, was adjourned for the second time yesterday.

NVT Manufacturing, a subsidiary of Norton Villiers Triumph, is now in the hands of the joint receiver managers, Mr. Kenneth Cork and Mr. Michael Jordan, of Cork Gulley.

A representative of the receivers told Mr. Justice Oliver in the High Court yesterday that discussions were going on to see if a scheme could be "evolved to continue this business."

In view of this statement, the Court adjourned for another two weeks. The petitioning creditor, Messers (London), which claims an unpaid bill of £24,774, did not oppose the adjournment.

The scheme now under discussion has been drawn up by NVT Manufacturing's parent company, Norton Villiers Triumph, which has put the plan to its bankers, Mr. Eric Varley, Industry Secretary, the unions, and the receiver.

P & O joins Shell in new Saudi Arabia tanker venture

BY JAMES McDONALD, SHIPPING CORRESPONDENT

P & O, Shell and Saudi Naft Corporation have been granted a licence by the Government of Saudi Arabia to form a joint venture shipping company.

It is envisaged that this company, to be known as Saudinaft Tankers, will be incorporated in Saudi Arabia within the next few months and will own and operate ships, sailing under the Saudi Arabian flag.

The company's initial capital will be 30m. Saudi Ryals (about $10m.) with a shareholding of 53 per cent. held by Saudi Naft Corporation, 23½ per cent. by P & O and 23½ per cent. by Shell.

Saudinaft Tankers will be involved in transport of crude oil and petroleum products, and it is hoped it will start operations in 1976.

The expertise of P & O and Shell will be utilised in the training of Saudi sea and shore staff.

It is anticipated that business with the headquarters in Saudi Arabia and the provision of services will be arranged by Internaft — the London-based Arab tanker and petroleum broking organisation owned by Saudi Arabian and Kuwaiti interests.

This is the first major venture by British shipping and oil interests in shipping with Saudi Arabia although there are between eight and 10 other international joint ventures in Saudi Arabia, in all of which Saudi Arabia holds a majority interest.

The project is still in its initial stages, a P & O spokesman emphasised last night, and it was not yet known where the tankers for the new company would come from. "It is a matter for anyone's speculation."

There are three obvious sources: from new orders with world shipyards, although this is unlikely if Saudinaft Tankers is to start operations next year, unless it takes over building contracts from owners with tankers already on the building berths.

A number of new tankers have also been launched recently and, with no employment available, have gone straight into lay-up. Also, Shell must have a number of ships, owned or on charter, surplus to its requirements.

In effect the new company, in to-day's depressed tanker market, will have no difficulty in obtaining modern tanker tonnage at cheap rates.

"P & O welcomes this project because Saudi Arabia has the largest known oil reserves in the world and we are pleased we have been approached to build up a new tanker operation," the P & O spokesman said.

Textile plants go on short time

BY PETER FOSTER

BRENTFORD NYLONS, the cut price textile manufacturer, is making further cuts in production in the wake of declining demand and growing overseas competition in the domestic textile market.

The company — which announced about 700 redundancies earlier this year and has been forced to withdraw from the mail order business because of mounting costs—yesterday announced that it would be introducing short time working throughout its North East England, London and Scottish plants as a result of excessive stock levels.

A company statement issued yesterday said: "An independent audit has shown that present high stock levels are inconsistent with projected sales forecasts."

It continued: "In addition, the economic future of the textile industry remains uncertain. In order, therefore, to strengthen the viability of our business it is essential that we reduce our manufacturing operations and related costs to a level which can be supported by sales.

"In view of this, the Board has reluctantly decided to introduce short time working in its Cramlington, Felling, London and Greenock factories in November and December."

The company pointed out that it would review the manning situation before the end of the year.

● A large number of companies are launching products at the International Domestic and Contract Textiles Exhibition in Harrogate. At the textiles machinery exhibition at Leeds, Mr. Ralph Atkinson, managing director of a leading textile machines manufacturing company, said the future for the British textile industry was looking brighter.

Exam qualification for life insurance agents

BY ERIC SHORT

THE LIFE INSURANCE Association in conjunction with the Chartered Insurance Institute, is to introduce an examination qualification for its members on the principles and practice of selling life insurance.

The association was formed two years ago with the specific aim of improving the professional standing and specialist knowledge of life insurance salesmen. It wants education of salesmen brought to a high standard, following a recognised course of study.

The examinations will be those of the Chartered Insurance Institute for its Life Assurance Salesmen's Certificate. Passing them will entitle members of the association to be designated associate or fellow and to use the appropriate letters after their name.

There are seven parts of the examinations, covering the technical side of life insurance and pensions, and techniques of salesmanship. The first will be in April.

Mr. C. J. Holmes, president of the association, said this move was "several steps ahead" of the Government's consideration of some form of licensing for insurance brokers.

New health inspection plan for oil tankers

A NEW procedure to allow ships to dock without going through time-consuming health inspections is being introduced as an experiment at the oil port of Milford Haven.

Milford Haven and Southampton are the only two British ports where the exemption procedure is being implemented. At first, only ships berthing at Milford Haven's five oil terminals will be involved.

All ships arriving from Common Market countries will be allowed to dock without a visit from a port health official. The directors of port health services, Mr. Bill Allen, says the onus will be on the ship's master to decide whether his vessel is clear of health risks and to pass a modified declaration to the port authority.

The procedure, already operating in New York, is aimed at saving port health officers' time in carrying out checks when 95 per cent. of ships are established as being clear of health risks. However, if a master believes there is a health hazard he would notify the authority 12 hours before docking that his ship is suspect, would fly a yellow 'Q' flag and be subjected to the standard control procedures.

This procedure is unlikely to be extended to ships carrying passengers and livestock or pets, where U.K. health regulations are strict.

The scheme may be applied only to oil tankers, many of which discharge their cargoes offshore and take 12 hours or less for turnround.

Lloyd's dives deep at Fort William

LLOYD'S Register of Shipping, through its offshore services group, is providing classification services for the deep diving system to be used by the U.K. underwater training centre, at Fort William on Loch Linnhe.

The system consists of a barge, three deck decompression chambers, a transfer lock and a diving bell.

The barge is being built for the main contractors, Seaforth Maritime, by Hancocks Shipbuilding, of Pembroke, and the diving system is being manufactured by Barry, Henry and Cook, a company within the engineering division of the Aberdeen-based Seaforth group to the Seaforth Perry design.

The diving system will be classed for operation at depths down to 675 feet. The complex consists of a diving bell, transfer chamber and one large deck decompression chamber together with two smaller deck decompression chambers.

FT book on consequential loss insurance

By Eric Short

CONSEQUENTIAL loss insurance does not get the attention it deserves when companies assess their insurance requirements, Mr. R. J. Pembroke claims in "Consequential Loss Insurance," published by the Financial Times Business Enterprises division. This book is the second in a series of insurance studies.

He describes consequential loss insurance — cover against the after effects of a fire or accident —as being very much a child of our times. It has been brought into prominence by the impact of modern technology and industrial changes as the risks to which profitability is exposed become more severe.

The book published to-day deals with the history of consequential loss insurance and describes the modern method of operation.

The author concludes that in the most recent insurance field, that of offshore technology, the situation seems too unsatisfactory to be permanent. Underwriters have not yet found a satisfactory way of offering cover at a reasonable price. He considers that marine and non-marine underwriters might have to pool resources to give the offshore industry the cover it so urgently requires.

Mr. Pembroke concludes that consequential loss insurance is more developed in Britain compared with most other countries.

Stonehouse hearing 'more like adultery trial'

A VISITOR FROM outer space might have thought the Stonehouse hearing was a trial for adultery and not theft and robbery, a solicitor said yesterday.

Mr. Geoffrey Robertson, defending Mr. Stonehouse, said the conspiracy charge had involved the lives of the runaway MP and his secretary Mrs. Sheila Buckley.

But evidence relating to their life together, the letters attempting to show that in 1973 they were on holiday together, and police informers going through their clothes and trunk, "not only complicates the trial but turns it into one where there is the possibility of great unfairness," he said.

Mr. Robertson was continuing submissions he began on Friday at the Horseferry Road, Magistrates' Court, London, that there was no case to answer on 17 charges against Mr. Stonehouse.

The Walsall N. MP faces a total of 23 charges and Mrs. Buckley faces six.

"Whatever criminality is suggested is adequately covered by the six substantive charges of thefts of money and the conspiracy count adds nothing." Mr. Robertson said. "This case could go to the Old Bailey as a simple case of theft and forgery."

Dealing with five charges of theft from a company, Mr. Robertson said cheques had been drawn under the authority of the directors' loan account.

The loans were properly evidenced under a loan account and properly passed to Mr. Stonehouse. It had ceased to be the property of the company, and was the property of Stonehouse—therefore he could not steal it.

Mr. David Tudor Price, prosecuting, said: "The position here, on each and every charge, is that there is a *prima facie* case, and indeed a very formidable case."

The prosecution said Mr. Stonehouse, helped by Mrs. Buckley, was stealing from his company, knowing it would be declared insolvent, and he was defrauding the creditors.

Mr. Stonehouse's acts were calculated and spread over a long period, with the object of self-enrichment and the enrichment of Mrs. Buckley so that they could share the proceeds in Australia or elsewhere.

On the theft charges, the prosecution said: "At the moment a cheque was written it was not a loan but a "'siphoning off.'"

IN BRIEF

Sterilisation probe

A discussion paper on sterilisation of children under 16, issued by the Department of Health and Social Security, asks for information "provided anonymously and without breach of confidence" to help decide on the question of introducing "further safeguards."

LTB challenged

A call for an independent inquiry into the running of London Transport has been made by the Better Bus and Underground Services group.

M-way renumbered

The M16 Motorway is to be renumbered the M25 to avoid confusing motorists, Transport Minister Dr. John Gilbert said. The existing M25 South of the Thames links with the M16 to provide an "orbital route" around London.

Forces' mail

Surface parcels, packets and letters to BFPO's 6, 8, 12, 52, 163 and 180 should be posted by Nov. 10 for delivery by Christmas, the Post Office said. Surface letters to BFPO 160 should be posted by the same date.

MP's 'heroes'

Conservative MP Mr. Nicholas Fairbairn (Kinross and West Perth) described industrial workers as the "heroes and saviours of the British people," and said that they were the ones who deserved infinitely higher wages. Addressing a Conservative Party lunch at North Ealing he hit out at wasted money and referred to the "lush, salaried, inflation-proof life of the bureaucrat."

Manpower parley

Four leading British manpower officials are attending a three-day conference in the U.S. this week to discuss U.K. problems with manpower experts from the U.S., Canada and Australia.

Heathrow access

Proposals to improve public transport facilities at Hammersmith, a major junction for travellers to and from London Airport, have been put forward by London Transport.

HOME NEWS

Craig launches attack on UUUC leaders

BY GILES MERRITT BELFAST, Nov. 3.

MR WILLIAM CRAIG'S Vanguard Party went over on to the offensive here to-day when it launched a spirited attack on the leadership of the United Ulster Unionist Coalition, the Loyalist grouping from which it was recently expelled for "moderacy."

Claiming that all the UUUC leaders had agreed in principle to the idea of examining voluntary coalition government with the mainly Catholic Social Democratic and Labour Party, the Vanguard Party has called for a public debate that would enable it to confront Democratic Unionist Party leader, the Rev. Ian Paisley, who has been Mr. Craig's most vocal opponent on the issue of voluntary coalition.


Mr. Ian Paisley

Mr. Paisley's opposition to the reopening of the inter-party talks that broke up two months ago, just as a coalition pact was beginning to emerge as a possible solution to the Ulster crisis, has enabled him to oust Mr. Craig and so become the *de facto* leader of the Loyalist majority in the Province's Convention.

In recent weeks, Mr. Craig's Vanguard Party has itself been split over the coalition question and a nine-man breakaway group headed by former deputy Vanguard leader, Mr. Ernest Baird, has left Mr. Craig with only a four-man rump that is now isolated from the UUUC.

On Thursday this week the UUUC is to push its own anti-coalition pact report on devolved government in Northern Ireland through the Convention, so that inside 10 days it will be laid before the Westminster Parliament and debated there towards the end of the month.

Clearly, Mr. Craig and his decimated Vanguard Party cannot hope to arrest the UUUC's Convention report, but apparently they are aiming to cast fresh doubts on the credibility of Mr. Paisley and, by extension, the determination of the UUUC to reject power-sharing in any form.

The evidence that three senior Vanguard leaders, Mr. David Trimble, Mr. Glen Barr and Mr. George Green, produced at a Belfast Press conference this morning to support their claim that Mr. Paisley had originally agreed to explore a pact with the SDLP, was drawn from a paper prepared in September by Convention chairman Sir Robert Lowry.

Simply entitled "Voluntary Coalition," the paper has not yet been publicly released. But the Vanguard leaders to-day quoted extensively from it to demonstrate that Sir Robert believed he had been given the go-ahead by all three parties then in the UUUC to arrange further negotiations with the SDLP.

Mr. Craig did not attend the Press conference, but in a statement later called for a public debate with Mr. Paisley.

NCB prepares for £600m. expansion to meet coal demand

BY ROY HODSON

THE demand for coal would be just as strong when the North Sea oilfields were in full flow, Mr. John Mills, the National Coal Board member for mining told the Coal Industry Society in London yesterday.

The board is going ahead as fast as possible with its 10-year plan to increase output by more than 40m. tons of coal a year by 1985 at a capital cost of £600m. Mr. Mills disclosed that possible sites for 15 new collieries are being explored, in addition to three new sinkings already in the development programme, and two more which are at the feasibility study stage.

Under the plan, some 60 major capital investment schemes for new and existing pits have now been approved at a total cost of £190m. The pits involved would represent about 12m. tons of new coal capacity and secure jobs for almost 80,000 men, he said.

"After years of contraction, the coal industry can again plan first to stem the decline in output and then to expand it," Mr. Mills told the society. This year the Board would be putting down 16 times as many exploratory boreholes as was averaged each year during the 1960s. There were 21 rigs currently proving coal reserves. So far the exploration programme had proved reserves worth about £13,500m.

Accountants warned

FINANCIAL TIMES REPORTER

THE ACCOUNTANCY profession must recognise the reality of the Sandilands Report on inflation accounting, said Professor David Flint, president of the Institute of Chartered Accountants of Scotland, last night.

The accounting bodies are due to give their official reactions to the Sandilands proposals for current cost accounting to-day.

"Sandilands is a fact: accounting cannot ever be quite the same again," said Prof. Flint, speaking at a dinner given by the Association of Scottish Chartered Accountants in London.

He said there were "dangers of Government intervention" in accounting standards.

"I believe it is important for the profession to assert its responsibility for developing accounting standards, and to demonstrate clearly and unequivocally to Government that we are able and willing and intend to continue to discharge that responsibility to all recognised users of financial statements."

Over 60 exhibitions booked for new centre

By Peter Cartwright, Midlands Correspondent

THE £45M. National Exhibition Centre near Birmingham Airport, which opens in the New Year, will have two occasions with three exhibitions running simultaneously on the 310-acre site. Already more than 60 exhibitions have been booked for the first two years.

The site, officially handed over yesterday by Robert M. Douglas, the main contractors, to a consortium of the Chamber of Industry, Birmingham Corporation and in which the Government has given £1.5m., has been completed on schedule.

On February 2 the exhibition building will be opened by the Queen, accompanied by the Duke of Edinburgh. The centre has been built in 30 months, with only one short-lived strike interrupting the work.

CENSUS ON WOMEN AND WORK

The number of wives and mothers going out to work in England and Wales has risen by more than 860,000 in the 10 years up to 1971 figures released by the Office of Population Censuses and Surveys to-day show.

Court Line cash repayment could top £2m.

BY ARTHUR SANDLES MIAMI BEACH, Nov. 3.

MORE THAN 40,000 who lost their holidays and their money in the Court Line collapse of more than a year ago, but have not been compensated, because of legal wrangling, may now be repaid. The total amount could top £2m.

The cash concerned is "pipeline money"—cash which had been paid to travel agents but never actually passed by them to one of the Court tour companies, Clarksons, Horizon or Four S Travel. Since the collapse the agents, the customers, and the Court liquidators have been arguing over who actually owns the cash.

Although the legal battle is to continue the liquidators of Clarksons and Halcyon Holidays (Horizon and Four S) have agreed to a preliminary deal. If the travel agents will tell the liquidators exactly how much money is involved, and pay it over to independent accountants, the clients who lost money can be repaid by the Government-sponsored air travel reserve fund agency.

Agents will deduct their normal ten per cent. commission before passing on the money. However, there is some concern that many agents may have put the money to other uses and might not be able to raise the cash quickly.

Travel Industry survey
Pages 21-25

Caledonian plan on ABC seats

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways is to make available more than 85,000 advanced booking charter (ABC) round-trip seats on the North Atlantic next year, representing about £8m. worth of business.

The airline said yesterday that its subsidiary, Golden Lion Travel, expects to take up about 45,000 of these seats, with the rest being used by a wide range of other tour organisers, including the Automobile Association and Jetsave.

The 1976 BCAL programme will include flights from Gatwick, Manchester and Glasgow to six destinations in Canada (Toronto, Montreal, Calgary, Edmonton, Winnipeg and Vancouver) and seven in the U.S. (New York, Chicago, Boston, Washington, Miami, Los Angeles and San Francisco).

The Golden Lion fares will range from £89 return to Toronto up to £164 return to Los Angeles or San Francisco.

Colour TV tube makers favour import controls

BY LORNE BARLING

BRITISH manufacturers of colour television tubes who have been under pressure from importers of the smaller range of products are now in favour of limited import controls.

Although Mr. Eric Varley, Secretary for Industry, has accepted many of the recommendations of a recent report by the Electronics Economic Development Committee it is felt that short term action is necessary to protect the U.K. industry from severe and immediate problems.

About 35,000 jobs have been lost in the electronics consumer goods industry since the start of last year and many more are now at risk, the EDC said in its report to the National Economics Development Office.

It is felt in the industry that unless it is given the opportunity to adapt to market conditions brought on by economic recession, any later Government action will be useless.

One major manufacturer is now involved in heavy investment to develop improved, smaller sized tubes which will become available next year. The company believes that import controls for a limited period would allow this product to become established.

It is felt, however, that the Government is unlikely to make any immediate concessions on the 25 per cent. VAT which has depressed demand for colour sets.

BBC call for minority network

By Michael Thompson-Noel

ANY NEW national radio or television network—which would cost about £35m. to set up—should be directed at minority audiences and further education, the BBC said yesterday.

The BBC also said that a national broadcasting foundation should be established to run a fourth television channel and a new national radio network if the Government gave it the go-ahead.

The BBC's case for a broadcasting foundation was contained in a memorandum sent to Lord Annan's Committee on the Future of Broadcasting in which the Corporation dismissed the possibility of a fourth TV channel—at present shelved by the Government — as a general audience network.

The running costs of a new network would probably be £3m.-£4m. a year said the BBC.

In the present economic climate, the creation of a completely new and self-sufficient broadcasting organisation seemed out of the question, but the more modest idea of a foundation, which would operate as a "publisher" and not an "author," was a realistic possibility.

"The broadcasting foundation's main role would be to schedule on its networks prepaid programmes produced by anyone which it felt furthered its objectives and it would also have powers and funds to commission material.

HTV seeks go-ahead for dearer adverts

HTV, THE Cardiff-based independent television company, claimed in the High Court yesterday that proposed increases in its commercial advertising rates would not breach the anti-inflation laws.

Mr. Richard Yorke, QC, for the company, told Mr. Justice Mocatta that the increases were not wildly inflationary "when compared with the rate of inflation."

HTV, in an action against the Price Commission, sought declarations that, for the purposes of computing price rises permissible under the Counter-Inflation (Price Code) Order of 1974, it is entitled to include the levy that the company has to pay to the Independent Broadcasting Authority.

Mr. Yorke said the Price Commission's case was that, following changes in the form of the levy, television companies could no longer claim that the levy was part of production costs since it was based on a company's annual profit.

HTV had been told that if it went ahead with the proposed changes, the Price Commission would make an order banning them. The judge is expected to take several days to hear the legal argument involved.

Commodities forum in Kuala Lumpur

AN INTERNATIONAL business forum to discuss stabilising commodity prices is to be held in Kuala Lumpur on Dec. 8 and 9.

It will be opened by the Hon. Datuk Musa Bin Hitam, Minister of Primary Industries, Malaysia, —chairman for the first day's proceedings — and is being arranged by the Financial Times Conference Organisation.

The European Community view on price stabilisation will be presented by Mr. Alexander Stakhovitch, director, Directorate-General for External Relations, Commission of the European Communities. Mr. Robert A. Perlman, director, Commodities Research Unit, will present a paper on Commodity Price Stabilisation — What are the Limits?

Benefits to the Population of Stable Commodity Prices is the title of a talk to be given by the Hon. Blas Ople, Secretary of Labour, Philippines; the development of commodity trade in Asia will be outlined by Dr. Perry Chang, chief economist, Asian Development Bank.

Dr. Saburo Okita, president, Overseas Economic Co-operation Fund, Tokyo, will suggest how the industrialised States could help towards stabilisation. The lessons of the Tin Agreement will be presented by Tengku Tan Sri Ngah Mohamed, Secretary-General, Ministry of Primary Industries, Malaysia.

P.O. calling

A contract worth over £1m. for 10,000 pocket "bleeper" paging sets, has been awarded by the Post Office to Multitone Electrics, of Marham, Norfolk. The company will employ an extra 35 workers on the contract.

LABOUR NEWS

Building unions' new claim may shake pay policy

BY LORELIES OLSLAGER, LABOUR STAFF

BUILDING TRADE unions yesterday mounted a potentially major political challenge to the Government's pay policy by asking for an immediate £6-a-week increase in the industry's basic pay rates despite the fact that they received their last pay rise in June.

The claim is based on the increase in the cost of living since then.

It has the support of the Transport and General Workers' Union, the second largest in the building industry, whose general secretary Mr. Jack Jones was one of the main architects of the counter-inflation strategy. One of the major guidelines of the policy is that there must be a 12-month interval between settlements.

The employers warned that they "could not consider any concession before the end of the current settlement next June," and asked the unions for a written submission of their case, which is to be considered further towards the end of the month.

The unions are basing their claim on an understanding in the minutes of the current agreement that they can demand an interim pay rise if the cost-of-living should escalate during the life of the 18-months settlement.

This runs from January this year until June 1976, and provided for rises in basic rates for the 1m. or so workers in the building industry payable in February and June this year.

The unions had hardly expected the employers to accept their claim to-day, but are hoping that they can secure either a date for a new pay rise or some interim arrangement between now and June.

Union pledge on tailors' £6 claim

By Our Labour Staff

THE National Union of Tailors and Garment Workers has promised to consider official backing for "selective" industrial action taken by its members in support of a £6-a-week pay claim in the garment industry.

The union is combining its threat with a new request to Mr. Michael Foot, Employment Secretary, to intervene in the dispute with the employers over the claim for the maximum rise allowed under the counter-inflation policy.

It wants Mr. Foot to set up an inquiry into the wage structures of the clothing industry "in order to provide the basis and the necessary machinery to rectify the grievances" of the 120,000 clothing workers.

The employers have offered a new money rise of £3.60—and in some cases have already added that to garment workers' pay packets—claiming that a £2.40 cost-of-living increase agreed earlier this year counts towards the £6 maximum. The union wants £6 in "new money."

Atomic workers will accept £3.40 rise

BY OUR LABOUR REPORTER

LEADERS of more than 5,000 atomic workers yesterday put an end to three months' haggling over an interpretation of the Government's £6 pay policy and accepted a £3.40-a-week deal.

The settlement, which will be backdated to October 1, is in line with the Government's view that £2.60-a-week rises agreed in June for the workers in British Nuclear Fuels must be offset against the £6 limit. Union leaders repeatedly disputed this interpretation, but have settled after recent mass meetings which showed no clear majority for industrial action.

The three main unions representing the BNF workers failed to win clear TUC backing for their line that the June increases should not count against the pay limit because the deal was made well before the introduction of the £6 policy.

These rises were made up of a £1.60 a week increase anticipating payments likely to be triggered in August and September under an existing cost of living agreement, and a further £1 a week stemming from consolidation of some bonuses.

The Government told the unions that both rises must be counted against the limit, because one anticipated increases expected after the start of the £6 policy, while the other was due to be paid in October, well into the life of the policy.

Since BNF is a subsidiary of the publicly-owned United Kingdom Atomic Energy Authority the Government was in a strong position to make sure that the employers did not budge from its line. Some 4,000 UKAEA manual workers accepted £5.60-a-week rises some weeks ago in a deal which offset a 40p threshold rise paid after August 1.

Welding-rod row ends at Govan

THE 11-day dispute at the State-owned Clyde shipyard of Govan shipbuilders at Glasgow, over the refusal of 358 welders to handle a special type of welding rod, ended yesterday when a meeting of the men decided to return to normal working this morning.

Later, Mr. Archie Gilchrist, managing director, said: "We are delighted that normal working is to be resumed."

Another 3,000 shipyard workers were laid off because of the dispute which stemmed from the welders' objections to the extension of special payment for operating the new rods to other members of the Boilermakers Amalgamation.

The close-down of work at the yard had delayed for a fortnight construction of two 26,000-ton bulk carriers.

● An emergency meeting has been called by the mid-Lanark branch of the Amalgamated Union of Engineering Workers, of shop stewards from all three Hoover Scottish factories.

They will discuss the situation caused by an 11-day unofficial strike of 126 machine setters which could close the company's Cambuslang plant by the end of the week and place jobs at the company's Merthyr Tydfil plant in jeopardy.

This will be the second time in a year that a strike at Cambuslang has affected Merthyr Tydfil, which is supplied by motors from Scotland for the washing machines it produces. Hoover employs 4,800 workers at Merthyr Tydfil.

Bid to resolve steel unions' rivalry

BY OUR LABOUR REPORTER

IN A BID to end more than five years of bitter rivalry the Iron and Steel Trades Confederation has started preliminary merger talks with the Steel Industry Management Association.

The two organisations have been in conflict since SIMA's formation in the late 1960s which ISTC has claimed to have been instigated by the British Steel Corporation. SIMA became the major obstacle to the ISTC's ambitions to extend its membership—which is predominantly manual—into the ranks of middle management, and in 1972 and 1973 ISTC members staged anti-SIMA strikes at the BSC's Teesside and Scunthorpe plants.

The Scunthorpe strike was ended by an agreement that the two organisations would discuss a possible merger at meetings under the independent chairmanship of Professor Hugh Clegg of Warwick University. After four sessions these talks foundered on the ISTC's refusal to guarantee that it would maintain after the merger a separate section for managerial membership. But Mr. Bill Sirs, who took over as ISTC general secretary earlier this year, has now started fresh talks with the 12,300-member SIMA, based on a more flexible approach which is aimed at satisfying SIMA's demand for a managerial section within the proposed larger organisation.

Details of the merger will be discussed by Mr. Sirs and Mr. Robert Muir, the SIMA general secretary, later this month. Mr. Muir stressed yesterday that neither party had yet made any commitment and the talks were the result of a common awareness of the need to make the industry successful.

● Members of the three-man court of inquiry into the blast-furnacemen's dispute at BSC's Llanwern factory in South Wales yesterday visited the Scunthorpe steel complex on the eve of public hearings starting to-day.

Representatives of the five main manual unions at Llanwern yesterday called for a speedy settlement of the dispute which is delaying commissioning of a new £65m. blastfurnace.

Parcel depot

The Post Office has opened a £1.5m. parcels office at Washington, Tyne and Wear. The office, built on a 15-acre site employs 208 people, and will initially handle about 40,000 parcels a day.

A million pints wasted

BY OUR BIRMINGHAM CORRESPONDENT

THE MILLIONTH pint of beer was poured down drains yesterday as a result of a dispute at Ansells brewery in Birmingham which has forced 300 Midlands pubs to close.

Fifty-two clerical workers were suspended two weeks ago for refusing to process orders for Double Diamond and Skol lager beers. They are members of the whitecollar section (ACTSS) of the Transport and General Workers' Union, which claims that Ansells is failing to honour three agreements covering the distribution of beer.

The company denies that it is in breach of any agreement and says the source of the trouble is rivalry between the ACTSS and the National Association of Licensed House Managers. For about six weeks, draymen from Ansells have blacked pubs whose managers did not hold TGWU cards.

After the suspension of the clerical workers the company laid off about 600 employees.

Yesterday, the company said an offer had been made by Mr. Ken Bradley, a branch chairman of the TGWU, to discuss a return to work. The company had told him that talks would be welcomed on condition that the blacking of the pubs would cease.

A TGWU official said yesterday the union was not in disagreement with Ansells and the men had only been laid off as a result of action by the company against the ACTSS.

Electrical unions split with TUC on worker-director plan

BY JOHN ELLIOTT, LABOUR EDITOR

SHARP SPLITS within the TUC over its industrial democracy plans for union-based worker-directors have led to the bizarre situation in the electricity industry, with the TUC riding roughshod over the views of unions in the industry.

Many of the electricity unions are opposed to the idea of worker-directors, but their objections have been pushed to one side by the TUC general council which has spelt out its own worker-director ideas in detail to the Government's Plowden Committee on the future of the industry.

Now the unions in the industry are to meet on their own, away from the TUC, to decide whether to put counter evidence to the committee—which in any case will almost certainly make no major recommendations on the subject because the Government is now launching broader inquiries on what its general policy should be on the subject.

The saga started earlier this year when the Plowden inquiry invited evidence from the TUC whose head office prepared documents along the lines of its worker-director policy even though many of the electricity union leaders involved are either sceptical or totally opposed to the plans—including the Engineers, the General and Municipal Workers, and the Electrical Power Engineers.

This led to an outcry from some of the opponents of the TUC whose fuel and power committee was sharply split. As a result the Plowden Committee sent detailed supplementary questions to the fuel and power committee which forced it into facing a fresh decision on whether or not to back the TUC line.

It declined to do so and as a result the TUC general council has now taken charge and sent the Plowden Committee its answers, sticking strictly to its worker-director philosophy.

The electricity unions' row now has come to a head for the second time in a year at the same time as the Government is at last on the verge of announcing details of its inquiry on industrial democracy and worker-directors for the private sector.

Yesterday one of the most implacable opponents among the electricity unions of the TUC's worker-director plans, Mr. John Lyons of the Electrical Power Engineers' Association, roundly attacked the terms of reference for the inquiry.

Writing in his union journal he said the terms, which appear to bind the inquiry to come down in favour of TUC-style worker-directors were "palpably absurd" and amounted to "culpable negligence by the Government" which had squandered an opportunity to study industrial democracy in depth.

"Did the Government not know that there is a massive body of opinion in the trade union movement which does not regard worker-directors as the only means of extending industrial democracy, indeed which is strongly opposed to this as a means at all?" asked Mr. Lyons yesterday.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Catches the eye day and night

EXPIRY OF the patents covering retro-reflective material has enabled Fasson U.K., 18, Frogmore Road, Hemel Hempstead, Herts (0442 63031) to introduce two products for traffic and safety signs and markings.

Fasson Scibulite engineering grade reflective sheeting conforms to BS.873 and BS.AU.152 and to the Department of the Environment requirements for road traffic sign manufacture. The material, a development of the Seibu Polymer Chemical Company, is supplied in 50-yard reels, 24, 36 or 48 inches wide, in silver-white, blue, red, green, yellow and orange. It is available with either a heat-activated adhesive for vacuum application, or pressure-sensitive adhesive.

The material is claimed to offer a higher coefficient of luminar intensity (CIL) than competitive sheeting, and costs about 7½ per cent. less. Weather-resistant life is said to be at least seven years.

Fasson Reflexite is a retro-reflective flexible vinyl material using cube corner microprisms (instead of glass microspheres) as the reflecting medium. It is made in the U.S. by the Rowland Development Corporation.

Designed primarily for safety clothing applications, it is available in roll or sheet in white, yellow, orange, red, and fluorescent red, and with or without pressure-sensitive adhesive backing.

A feature of the material is the combination of both retro-reflective and fluorescent effects, producing eye-catching colours by day and night.

Fasson U.K., a subsidiary of Avery Products, U.S., will be showing the new products at Traffex 75, the traffic engineering and road safety exhibition being held in Brighton, November 11-14.

Service for silicon nitride

DEGUSSIT division of Degussa, Frankfurt-am-Main, has started production of ceramic blanks of pre-nitrided silicon nitride.

These blanks can be machined by customers with conventional tools. The shapes produced in this way are then fired by Degussa, achieving the characteristic properties of proprietary Degussit SN34.

These include high electrical resistance, good resistance to alternating temperatures, insensitivity to corrosion, dimensional stability, mechanical strength, etc.

The advantage for the customer is that he can quickly obtain the ceramic shapes needed for his pilot and sample production work without incurring high tool costs. Once the final design of the part has been decided, Degussa takes over the entire production process to customer specifications.

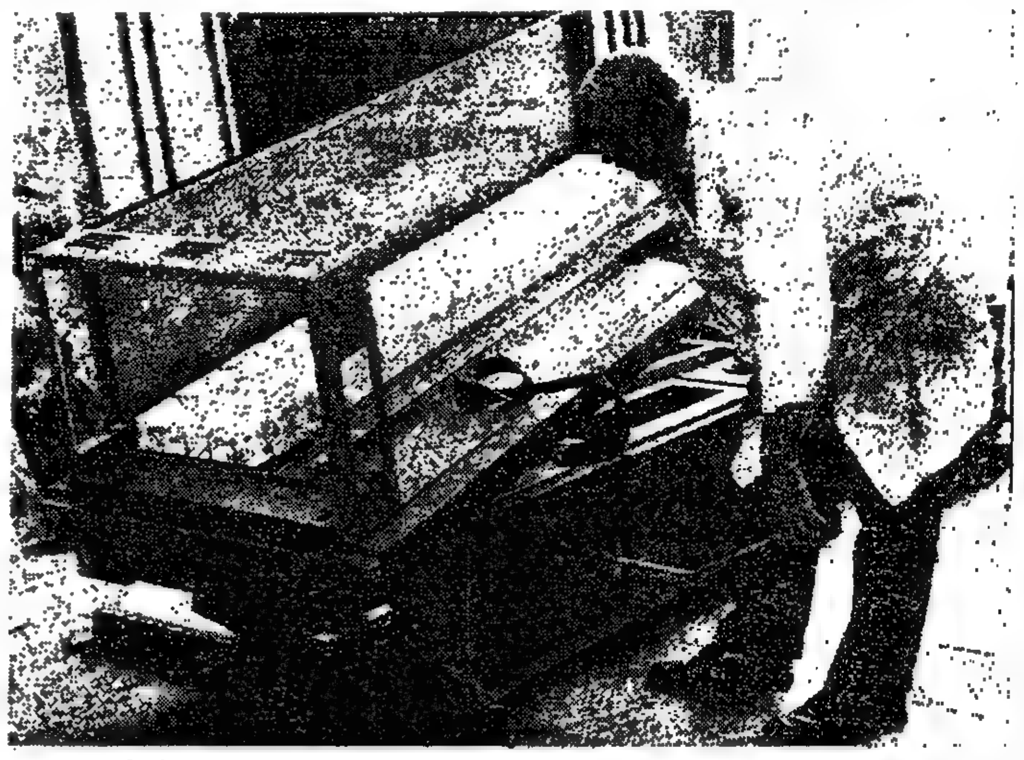
Degussa is at D6000 Frankfurt-am-Main 1, Postfach 2644, West Germany.

Better locking liquid

AN IMPROVED formulation of Torqseal, the acrylic-based threaded joint locking liquid, has been introduced by Hermetite Products, Tavistock Road, West Drayton, Middx., UB7 7RA (West Drayton 45611).

Used for locking nuts to bolts, for retaining studs, bushes and bearings, as well as pipe joints, the latest grade of Torqseal sets sufficiently for the components to be handled in 15 minutes "Unlocking" does not require special tools.

Setting is anaerobic (no air) and the liquid can be used on components up to 1 inch diameter, if the maximum clearance does not exceed 0.01 inch. Shear strength is 1150 psi. It is available in 3cc tubes and 10 cc applicator bottles, for do-it-yourself and industrial use.



This useful device for handling items which are of awkward shape, yet require intricate operations to be carried out on them, has been devised by FDH, 124a-130 Edinburgh Avenue, Trading Estate, Slough, Bucks. (Slough 28321). The work surface of the table rotates through 90 degrees and it is capable of lifting units weighing up to 10 cwt. The work table is hydraulically operated and its movement is gentle enough for the manipulation of delicate equipment. The assembly table is seen here at the Birmingham works of Cutler-Hammer Europe where it is being used for the assembly of a motor control unit.

● DATA PROCESSING

First-time user is the target

DBS SIXTEEN, announced by the Dacoll Group of Bathgate, Scotland is a major extension to Dacoll's involvement in the business data processing market. It offers extensive software and simplicity of operation which make it ideal for the first-time computer user.

DBS includes a 16K central processor, a fixed head and an interchangeable disc unit, each of 5m. bytes capacity, a visual display unit and a DL180 high-speed printer. This may be extended to include extra VDUs, up to 40m. bytes of disc storage, 64K of core storage, and a range of peripheral equipment, according to users' requirements.

Compact, inexpensive, and desk-mounted the unit is suited to small and medium-sized companies who require their own EDP capability. In addition, Dacoll's communications facilities, which include emulators for IBM 2780 and ICL 7020 terminals, enable the system to be used in distributed networks and other communications functions.

The visual display unit is used as a master terminal for control of the system and for data entry. Operation is simplified by a conversational system in which the computer offers the operator a choice of actions, leading him/her through a series of decisions by means of successive questions and answers.

Data is subjected to a variety of checks in input via the VDU, and may then be processed either directly or on a deferred basis. The direct processing method (which might be used for applications such as order processing) checks and validates input, and at the same time produces documents on the printer and updates all relevant files. With the deferred processing method, for applications such as payroll, data accepted by the data entry routine or as a by-product of another routine is held in the backing store and used later to update files and produce documents.

The basic DBS-16 system is available at a cost of approximately £11,000. Software costs will vary according to complexity, but will typically be about £2,000-£4,000. Additional tailor-made packages are also available from Dacoll. It is being advanced at the r and d centre, Crewe, and being manufactured at Bathgate.

Dacoll Engineering Gardners Lane, Bathgate, West Lothian. Bathgate (0506) 56565.

Payroll is no problem

THERE may be more than 2,000 different payroll programs in use in Britain. The introduction of new statutory changes will result in program alterations and recompilation of all these.

The Inland Revenue is introducing new prefix and suffixes to the tax code and the Department of Employment is bringing changes that will affect the detail shown for deductions on a payslip.

It is estimated that approximately 80 per cent. of the programming capacity in the U.K. is committed to the maintenance of existing computer programs. For these statutory requirements to be introduced individually into the 2,000 or so payroll programs in use, is a wasteful commitment of scarce programming resources. Every changed program has to be tested and inevitably some programs will fail on the day when the changes are brought in with the familiar disastrous consequences.

For the several hundred companies using the Q-Pac Payroll System, the facilities of user parameter control and contracted maintenance mean that the new statutory demands in the programs only need to be invoked.

Q-Pac is distributed by Package Programs Limited, 1, Farnham Place, London, SE1 0NU (01-928 8673).

language level at a rate in excess of 2.5m. per second. With 32 basic instructions, and up to 65K words of program memory plus 65K words of data memory, it is eminently suited to a wide range of applications requiring high performance dedicated processing.

Plessey Microsystems, Water Lane, Towcester, Northants. Towcester (0327) 50312.

Miproc put through its paces

PLESSEY MICROSYSTEMS has organised a technical seminar on the new Miproc very high speed 16 bit single card microprocessor, to be held at the Royal Garden Hotel, Kensington High Street, London W.8, on November 25 at 2.30 p.m.

Potential users will have an opportunity to become acquainted with hardware, software and applications aspects of the devices, and to examine the hardware involved. This open seminar is being held as a result of the interest generated during a series of similar events which have been held at various large government and industrial establishments.

Miproc's very high speed, derived from its advanced tri-state TTL technology, enables it to execute instructions at assembly

● COMMUNICATION

Sight and sound

A NOVEL British system for synchronising sprocketed motion picture film with ¼-inch and cassetted audio tape has been introduced by Elf Audio Visual (S36, Yeovil Road, Trading Estate, Slough, Bucks.).

Unlike conventional synchronising systems for film and tape, which rely on "comparing" synchronising pulses on the tape with sprockets on the film the Elf digital interlock uses the tape pulses to actually drive the motor of the film projector. In this way, solid interlock is assured and the loss of synchronisation by run-up of the projector is avoided.

Each single frame of the picture is governed by 200 signal pulses on the tape, and speed can be infinitely varied—in synchronism, forward and reverse, or "rock-and-roll." The audio tape actually carries the digital signals which pass through a control unit and are amplified to drive the special step motor in the projector. Elf are offering a conversion service to their own projectors at £650.

Advantages of the system include the facility for using audio cassette machines to provide lip synchronised sound for otherwise muted films. This suggests, for example, that foreign language versions of a film could be projected using the same film print in conjunction with a range of audio cassettes for each separate language version.

It is also claimed that the system can provide greater accuracy in film-to-tape synchronisation than systems currently used in professional studios. Plans are also in hand to provide wide facilities for film camera synchronisation to location sound recorders.

JOHN CHITTOCK

● INSTRUMENTS

Low cost spectrum analysers

FOUR VERSATILE spectrophotometers offering analogue or digital displays, and covering ultraviolet and visible wavelength ranges, at a basic price of under £500 (in the U.K.), have been introduced by Pye Unicam, York Street, Cambridge CB1 2PX (0223 58866).

These single beam instruments, allowing a choice of wavelength range, are intended for a wide variety of routine analysis work, as well as use by students in teaching laboratories.

To obtain maximum efficiency of sample analysis and versatility of use, a range of accessories has been developed. Output from the range is compatible with the company's measuring equipment. For example, the SP6-500 (a digital instrument with a 220 nanometer wavelength range) can be fitted with an Autocell accessory. With its BCD output and a DR 16 printer, this system would then enable an operator to analyse and identify results of over 300 samples an hour.

The basic units in the SP6 series are the 200, with a wavelength 325 to 1000 nm and a large meter display; the 300, which has the same wavelength range and a 7-bar solid state display with facilities for a BCD output; the 400 and the 500 are the corresponding ultraviolet spectrophotometers with a wavelength range of 220 to 1,000 mm.

Applications range from medical and pharmaceutical laboratories, to the determination of metals in ores and alloys, the monitoring of nitrates or phosphates in waste or surface waters, and quality control in the food industry.

For educational use a teaching kit is available to assist students to understand the basic principles of visible light spectrophotometry. It consists of a simple spectrum demonstration aid, a booklet containing elementary theory and a wall chart.

● COMPONENTS

Coupling to work at low temperature

BP HAS specified Speed Seal couplings to operate at temperatures down to −166°C for the loading arms which will come into operation in 1976 at Das Island in the United Arab Emirate of Abu Dhabi.

This is one of the world's most ambitious energy projects: the building of a giant plant costing $300m. to produce liquefied natural gas (LNG). After purification, the gas will be liquefied by refrigeration and shipped to Japan in specially designed tankers at the rate of 3m. tons/year.

Three 16-inch couplings have been specified for LNG at this low temperature and these are the first quick connect/quick disconnect loading arm couplings to be used for such an arduous service.

Recognising the growth of the LNG market and the hazardous nature of the activity, some three years ago Speed Seal started the design and development of a coupling which would operate at temperatures down to −196°C. The coupling had to be light enough in weight for use on a marine loading arm and incorporate the speed of operation and safety features which had resulted in the widespread use of the ambient temperature coupling. It was envisaged that ice build up might interfere with the operation of the hydraulic hooks, or "claws," so a special feature of the design is the insulation between the main body and the claws which remain relatively warm when the unit is in cryogenic service. Sealing was also critical at such low temperatures and an energised PTFE seal is used to overcome the low elastic recovery characteristics of the material.

Speed Seal Products, Halesfield 1, Telford, Shropshire TF7 4ND. Telford (0952) 585546.

● CONSTRUCTION

Door frames made of steel

STEEL DOOR frames made by N. V. Nederlandse Metaalindustrie Polynorm, of Bunschoten, Holland, are available in the U.K. from Hallwoods (Liverpool), 59 The Albany, Old Hall Street, Liverpool L3 9EW (051-227 2630).

Suitable for use in housing, hotels, office units, hospitals, etc., the frames are supplied "knocked down" to facilitate transport and site storage. The architrave forms part of the frame which is supplied with hinges and lock plate. The company claims the frames are economical, easily assembled, and show a saving in on-site labour.

Called Polynorm, the frames are primed by electrophoresis, and have an electrostatically sprayed, baked undercoat. Only a finish coat is required. As steel frames will not warp or split, they are said to be ideal for use in centrally heated premises and in severe climates. Frames can be supplied with or without fanlights and for flush or rebated doors. They are available for all wall thicknesses in standard and non-standard sizes.

● HANDLING

Converts a fork lift to tipping

PATENTED tipping pallet equipment which can be used with existing, unmodified fork-lift trucks to increase the efficiency of bulk materials handling is available from Modern Transfer.

The invention can make an important contribution to cost/effectiveness of handling goods as diverse as engineering components and agricultural produce, small manufactures and chemicals, part-processed materials and waste.

The tipping pallet consists of a strong steel frame which slips on to the forks of an existing fork-lift truck in the same way as a normal pallet. Simple mechanical locking pins are inserted to secure it and two quick-release self-sealing couplings connect the truck's hydraulic circuit. Total time required for fitting or removal is under 60 seconds.

On the frame is an integral, hydraulically operated platform which is driven into and easily locked on to sturdy tote bins. Inverting the bins is controlled by the driver from his seat.

In this he uses the normal third valve hydraulic control lever.

Three advantages include use with any existing make of fork-lift on-site with no modification to the truck. The tipping action is controlled, not a sudden dump: and the bin is tipped forwards, not sideways, which is safer since the lateral balance of the fork-lift is not disturbed.

Extreme reliability, long life and ease of maintenance are assured by the simplicity of the design, which features a minimum of moving parts. It is also practical and economical in operation since one man with one pallet can safely, quickly and easily lift, transport and discharge the contents of many strategically placed bins.

Modern Transfer, Avon House, Hatters Lane, Chipping Sodbury. Tel: 318486.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 3, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afars & Issas	Djibouti Franc	346(sg)
Afghan'tan	Afghani	122(A)
Albania	Lek	(O)10.10(A) (T)23.25(A)
Algeria	Dinar	(A)8.65(sg)
Andorra	French Franc	9.05⅛
	Spanish peseta	122
Angola	Ang. Escudo	54.90
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm) 78.15 (fn) 180.09
Australia (S)	Australian $	1.6557
Austria	Schilling	37.55
Azores	Portug. Escudo	54.90
Bahamas (S)	Ba. Dollar	2.0572
Bangladesh (S)	Taka	29.95(sg)
Bahrein (S)	Dinar	0.819
Balearic Is.	Spa. Peseta	122.30
Barbados (S)	Barbados $	4.151
Belgium	B. Franc	(cm) 79.95 (fn) 82.875
Belize	B$	4.0
Bermuda (S)	Bda. $	2.0755
Bhutan	Indian Rupee	18.240
Bolivia	Bolivian Peso	41.51
Botswana (S)	S. A. Rand	1.802097
Brazil	Cruzeiro	17.87
Br'solmn Is(S)	Australian $	1.6551
Br Virgin Is(S)	U.S. $	2.0755
Brunei (S)	Brunei $	5.0682
Bulgaria	Lev	(O) 2.02 (T) 2.58
Burma	Kyat	(A)13.45(sg)
Burundi	Burundi Franc	182.77
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	451.75
Canada	Canadian $	2.108
Canary Is.	Spanish Peseta	122.30
Cape Verde Is	Cape V Escudo	54.90
Cayman Is.(S)	Cay. I. $	[illegible]
Cent. Af. Rp.	C.F.A. Franc	451.75
Chad	C.F.A. Franc	451.75
Chile	C. Peso	(Bk) 14.71½ (T) 14.71½
China	Renminbi Yuan	4.0165
Colombia	C. Peso	(P)67.07
Comoros I'ds	C.F.A. Franc	451.75
Congo (B'ille)	C.F.A. Franc	451.75
Costa Rica	Colon	17.849
Cuba	Cuban Peso	1.759
Cyprus (S)	Cyprus £	0.7852
Czechoslov'ka	Koruna	(com) 11.98 (n/c) 23.68 (T) 20.78
Dahomey	C.F.A. Franc	451.75
Denmark	Danish Krone	12.35¼
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.0826
Ecuador	Sucre	(O) 51.828 (F) 51.8875
Egypt	Egyptian £	(O) 0.81 (T) 1.22
Ethiopia	Ethiopian $	(P)4.3012
Eq'l Guinea	Peseta	122.30
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.35¼
Fiji Is. (S)	Fiji $	1.7587
Finland	Markka	7.940
France	French Franc	9.05⅛
Fr. C'tyin Af.	C.F.A. Franc	451.75
Fr. Guiana	Local Franc	9.05⅛
Fr. Pac. Is.	C.F.P. Franc	164.27
Gabon	C.F.A. Franc	451.75
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	8(A)
Germany West	Deutschemark	5.30¼
Ghana (S)	Cedi	2.58
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is.(S)	Aust. Dollar	1.6551
Greece	Drachma	71.5185
Greenland	Danish Kroner	12.35¼
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.05⅛
Guam	U.S. $	2.0755
Guatemala	Quetzal	2.0755
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.2864
Haiti	Gourde	10.5775
Honduras Rep	Lempira	4.151
Hong Kong (S)	H.K. $	10.43
Hungary	Forint	(com) 57.67 (nc/T) 46.00
Iceland (S)	I. Krona	338.20
India (S)	Ind. Rupee	18.240
Indonesia	Rupiah	861.3525
Iran	Rial	(A)145.20
Iraq	Iraq Dinar	0.609
Irish Rep (K)	Irish £	1.0
Israel	Israel £	14.5655
Italy	Lira	1,398
Ivory Coast	C.F.A. Franc	451.75
Jamaica (S)	Jamaica Dollar	1.8766
Japan	Yen	626½
Jordan (S)	Jdn. Dinar	0.685(sg)
Kenya (S)	Ken. Shilling	16.848
Korea (Nth)	Won	n.a.
Korea (Sth)	Won	1007.20
Kuwait (S)	Kuwait Dinar	0.605
Laos	Kip	n.a.
Lebanon	Lebanese £	4.800
Lesotho	S. African Rand	1.802097
Liberia	Liberian $	2.0755
Libya	Libyan Dinar	(P)0.614457
Liecht'stein	Swiss Franc	5.44¼
Luxembourg	Lux Franc	79.90
Macao	Pataca	12.7325
Madeira	Portug'se escudo	54.90
Malagasy Rp.	MG Franc	451.75
Malawi (S)	Kwacha	[illegible]
Malaysia (S)	Malaysian $	5.295
Maldive Is.(S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	905⅛
Malta (S)	Maltese £	0.820815
Martinique	Local Franc	9.05⅛
Mauritania	Ouguiya	●
Mauritius (S)	M Rupee	13.63
Mexico	Mexican Peso	25.89
Miquelon	C.F.A. Franc	451.75
Monaco	French Franc	9.05⅛
Mongolia	Tugrik	(O) n.a.(g) (T) n.a.
Montserrat	E Caribbean	4.80
Morocco	Dirham	8.51(sg)
Mozambique	Moz. Escudo	54.90
Nauru Is.	Aust. Dollar	1.6551
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.44½
Neth. Ant'les	Antillian Guild	3.715145
New Hebrides	Franc	8.558
	Austl. Dollar	1.6551
N. Zealand (S)	N.Z. Dollar	1.558
Nicaragua	Cordoba	14.54
Niger Rp	C.F.A. Franc	451.75
Nigeria (S)	Naira	1.55387(sg)
Norway	Nrwg Krone	11.52¼
Oman Sultanate of (S)	Rial Omani	0.718
Pakistan	Pkst. Rupee	20.20(sg)
Panama	Balboa	2.0755
Panama Canal Zone	U.S. $	2.0755
Papua N.G. (S)	Kina	‡1.6185
Paraguay	Guarani	258.85
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.78
Peru	Sol	(ex/c) 93.28 (A) 95.28
Philippines	Ph. Peso	15.955
Pitcairn Is.(S)	£ Sterling	—
	New Zealand $	1.558
Poland	Zloty	(P)41.80 (T) 65.06
Portugal	Pgse Escudo	54.90
Port Timor	Timor Escudo	54.90
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.0755
Qatar (S)	Qatar Ryal	8.15
Reunion, Ile de la	French Franc	9.05⅛
Rhodesia	Pound ●●	n.a.
Romania	Leu	(com) 10.18 (n/c)T 24.55
Rwanda	Rwanda Franc	190.355
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	451.75
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.188
Samoa (Am)	U.S. $	2.0755
San Marino	Italian Lira	1,398
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.31
Senegal	C.F.A. Franc	451.75
Seychelles	S. Rupee	15.65
Sierra Leone (S)	Leone	2.9
Singapore (S)	Singapore $	5.08825
Somali Rep.	Som Shilling	(A) 12.73(sg)
Sth. Africa (S)	Rand	1.802097
S. W. Africa Territories (S)	S. A. Rand	1.802097
Spain	Peseta	122.30
Span. Ports in North Africa	Peseta	122.30
Sri Lanka (S)	S. L. Rupee	15.5836(sg)♦♦
Sudan Rp.	Sudan £	(A)0.722(sg)
Surinam	S. Guilder	3.715145
Swaziland (S)	Lilangeni	1.802097
Sweden	S. Krona	9.00⅛
Switzerland	Swiss Franc	5.44¼
Syria	Syria £	(A)7.750(sg)
Taiwan	New Taiwan $	(P)78.869
Tanzania (S)	Tan. Shilling	16.816
Thailand	Baht	42.2675
Togo Rp.	C.F.A. Franc	451.75
Tonga Is. (S)	Pa'anga	1.5785
Trinidad (S)	Trin. & Tobago	4.80
Tunisia	Tunisian Dinar	0.845(sg)
Turkey	Turkish Lira	31.252(sg)
Turks & C's	U.S. $	2.0755
Uganda (S)	Ug. Shilling	16.848
Utd. States	U.S. Dollar	2.0755
Uruguay	Uruguay Peso	(cm) 5.11 (fn) 5.545
Un'd A'b Emis	U.A.E. Dirham	8.22
U.S.S.R.	Rouble	1.55
Upper Volta	C.F.A. Franc	451.75
Vatican	Italian Lira	1,398
Venezuela	Bolivar	8.88(x)
Vietnam (Nth)	Dong	(O) n.a.(g) (T) n.a.(g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.0755
Western Samoa (S)	Samoan Tala	1.2285
Yemen	Ryal	9.50(sg)
Yugoslavia	New Y Dinar	37.1568
Zaire Rp.	Zaire	1.03525
Zambia (S)	Kwacha	1.3252

● That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

♦♦ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shilling was introduced by the Independent regime on February 17, 1970. Recent reports suggest a rate of about 1.237 Rh. dollars to £1.

● The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate: oil and iron exports 8.7171.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.306 roubles, and the North Korean won at 0.7483 roubles. With the pound standing at 1.55 roubles, the following relationships could be calculated for the pound: £1=6.89 tugriks, £1=5.06 dongs, £1=2.07 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

** Rate now based on 2 Barbados $ to the dollar.

† Special Financial Rate is 142.535.

‡ Australian dollar remains in circulation.

PARLIAMENT

Shore feels Left's lash on controls

FINANCIAL TIMES REPORTER

LEFT-WING Labour MPs protested angrily in the Commons yesterday at the cautious response by Mr. Peter Shore, Secretary for Trade, to mounting Labour party pressure for the introduction of selective import controls.

Against a background of repeated calls for more positive action from the Government backbenches, Mr. Shore outlined his approach in these words: "My prime objective is the early revival and expansion of world trade, but I do not rule out protective measures for particular industries suffering or threatened with serious injury as a result of increased imports."

But he stressed: "In any particular case, we would have to consider all the relevant factors, including the fact that other countries can also use protective measures, before deciding where the balance of advantage lay."

With frequent reminders about the dangers of retaliation—an issue which was also firmly underlined by Mr. Terence Higgins, from the Opposition front bench — Mr. Shore maintained this basic position throughout lengthy exchanges which brought Mr. Eric Heffer (Lab., Walton) to pronounce a verdict of "very disappointing indeed."

It was left to Mr. Eric Deakins, Under Secretary for Trade, to offer some consolation to the critics with an assurance that the Government was looking urgently and sympathetically at the possibility of introducing "surveillance licensing" for footwear imports.

On the question of textile imports, he envisaged that virtually the whole of the developing world would be covered by multi-fibre agreements within the next six months, and on the wider issue, he urged Labour MPs to look to an announcement later this week on the Government's developing industrial strategy which would look after domestic industries in the longer term.

Forceful

But it was the immediate future which concerned the Government's backbench Left-wing critics and there were reminders from Mr. Norman Atkinson (Tottenham) as well as from Mr. Heffer, that a policy document embodying selective import controls had been passed at last month's Labour party conference.

Mr. Shore expressed full understanding and sympathy for the views expressed by Labour backbenchers and the pressures upon them, but said the fact had to be accepted that we were now in the middle of a world trade recession.

"We have to consider very carefully how we can best handle the situation and overcome it in the interests of our own people as well as others."

When it was suggested by Mr. Douglas Hoyle (Lab., Nelson and Colne) that the threat of reprisals had been overstated, Mr. Shore agreed that this might have happened in some instances but at the same time warned against understating the probability of retaliation.

In more forceful terms, Mr. Higgins pressed Mr. Shore to reject completely the protectionist policies of Mr. Ron Hayward, the Labour Party general secretary, who recently called for the implementation of the Labour Party conference decision on the introduction of selective import controls.

Mr. Higgins argued that the adoption of such a policy would produce retaliation and create not a world depression but a world slump with higher and longer unemployment.

He also urged the Government to recognise the fact that the use of the term "selective import controls" could fudge the genuine issue of anti-dumping action.

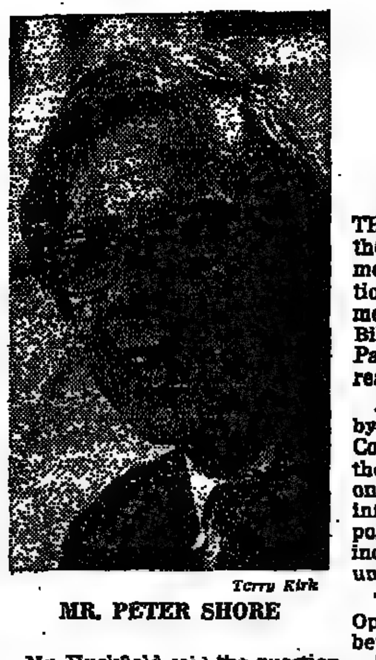
Mr. John Biffen (C., Oswestry) commented: "Labour Left wing MPs should realise that the IMF would take a very poor view of any Government which, when seeking further credit, had a record of trade discrimination at a time when all its policies are designed to expand world trade rather than restrict it."

Exports

Mr. Shore reminded him that Article 19 of GATT gave a nation the right to impose restrictions if increased imports were causing or threatening serious injury to a domestic industry.

He added: "That same Article gives the right to the rest of the international community to have compensation against the exports of the country which take that action. That is why, among other things, one ought to think very carefully about particular cases."

In another question, Mr. Shore agreed with Mr. Leslie Huckfield (Lab., Nuneaton) that penetration of the British market by foreign cars this year had been too high. "It is up to the industry—employees and management—and I hope with the help of British consumers, to see the balance is changed."



Terry Kirk

MR. PETER SHORE

Mr. Huckfield said the question of imposing import controls on cars was a complex matter, especially in view of allegations in America of dumping of British cars.

Mr. Shore pointed out that we had a very favourable balance in the car trade with the U.S. We imported very little from there, and our exports were of the order of £80m. a year There was the danger of anti-dumping action being taken by the U.S. authorities. We certainly did not want that to happen.

BITTER MEMORIES

There was an angry retort from Mr. Eric Deakins, Under Secretary for Trade, when Mr. Heffer suggested that if the Minister had been out of work for three or four months, he might take a different view on import controls.

Mr. Deakins replied that he needed no lessons from anyone on the Labour benches about the effects of unemployment. "My father's life was destroyed by unemployment in the twenties. It left scars on him, and it has left bitter memories for me."

Peers give way on Employment Bill demands

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE LORDS last night dropped their challenge to the Government over a number of contentious provisions in the Employment Protection Bill, and the Bill having completed its Parliamentary passage, is now ready for the Royal Assent.

Amendments the Lords let fall by the wayside, in view of Commons objections, included their proposals for stipulations on the provision of "company information." Other Lords proposals which have been dropped include their amendments on union recognition.

The Bill—criticised by the Opposition as a trade union benefit Bill, unfair to employers—formalises the Advisory Conciliation and Arbitration Service and strengthens collective bargaining procedure.

Peers had originally written into the Bill amendments which enabled employers as well as unions to refer recognition disputes to the service.

Lord Jacques, a Government spokesman, said he recognised that there were some fringe cases where an employer hoped to recognise the union but could not do so because he felt he would get involved in trouble with other unions.

"These cases are internal conflicts within the trade union movement and the movement has gone out of its way to set up adequate machinery for dealing with them."

Lord Jacques said that the Bill already provided adequately for an employer who thought himself frustrated by an inter-union dispute.

Opposition spokesman Lord Mansfield said that the Government did not seem able to accept that employers should be able to use the same avenue of approach to the ACAS as trade unions. "There is almost an element of aparthied to this."

But the Lords did not insist on their amendments.

'Conscience'

Lord Jacques also asked the House not to press its amendment which substituted "conscience" for "religious belief" as the grounds on which a worker could object to joining a trade union—a change rejected by the Commons.

Lord Jacques said that if the conscience provision remained in the Bill it would "create uncertainty both for employers, employees, and tribunals."

He added that tribunals had had great difficulty, in the context of union membership agreements, in deciding how to differentiate between conscience and religion.

But Lord George-Brown, a former deputy Leader of the Labour party, declared: "There is a very considerable difference between religious feelings and feelings of conscience. If one of my friends in the Transport Workers Union, on a conscience basis, decides he does not want to belong, I think he has a perfect right.

"I suspect the Government have already organised this with the Opposition so that the will not oppose it." He urged fellow-peers to go into the lobby with him against the move to take the conscience provision out of the Bill.

For the Opposition, Baroness Elles stressed: "I would assure Lord George-Brown that there has been no collusion or co-operation with the Government on this side of the House."

In the Queen's Speech last year, the Government had claimed to protect and promote respect and observance for human rights. "A long time has passed since those words were spoken and they seem to have been forgotten. The denial of the right to exercise conscience is a step in the direction of tyranny."

Lord Houghton, a former chairman of the Parliamentary Labour Party commented: "The inclusion of the words 'religious belief' in this Bill is an affront to those of us who have deep conscientious convictions not based on religion.

"For this to he inserted by a crowd of agnostics in the House of Commons is quite outrageous."

Lord Shinwell (Lab.) said that Lord George-Brown's speech "with certain overtones of moral value" might have been delivered from the bishops' bench.

"If he is endeavoring to oppose the Commons, he had better save his breath to cool his porridge. The Opposition is not going to fight the Commons because it is not ready for the fray."

When the question that the Lords should not insist on their amendment was put Lord George Brown's voice, and perhaps a few others, opposed. But no division was forced.

The Lords agreed not to insist on their amendment seeking the inclusion of agricultural workers within the terms of the 1974 Health and Safety at Work Act.

The peers did not press the remainder of the amendments rejected by the Commons, and consideration of the Bill was completed.

Concorde 'comic opera' danger—MP

BRITAIN was in danger of getting caught up in a comic opera situation over the operation of Concorde, Mr. Kenneth Warren (C. Hastings) claimed in the Commons yesterday.

Calling on the Trade Secretary (Mr. Shore), to ensure that Concorde was given a certificate of airworthiness by the Civil Aviation Authority without further delay, Mr. Warren pointed out that the French already had their certificate.

"We are in danger of being caught up in a comic opera situation in which we are not able to operate the aircraft which the French have already certificated," he declared.

Mr. Stanley Clinton Davis, Trade Under Secretary, said this was a matter entirely for the CAA, which was an independent body. The reason why the French already had their certificate was that the concept of type certification was a little different. In Britain, it covered certain aspects whic hthe French covered by operation control.

Mr. Davis added that the issue of the certifiacte of airworthiness was subject to the demonstration of a revised cruise technique, satisfactory for all expected atmospheric conditions.

"But the certifiacte will be available in ample time to avoid any delay in introducing the aircraft into airline service," he promised.

NEB monthly salaries

MONTHLY SALARIES for the staff of the organising committee for the National Enterprise Board totalled an estimated £10,370 in October, Mr. Gregor Mackenzie, Minister of State, Industry, said in a Commons written reply.

This figure did not include the pay of the chairman and members of the committee which had yet to be fixed, he added.

'House and income' loans gain tax concession

BY JUSTIN LONG

THE TREASURY last night announced a concession to remove unintended stringencies in the taxing of loan schemes of the "house and income" type.

Mr. Robert Sheldon, Financial Secretary, outlining the proposal, indicated that it would benefit the schemes operated by some life offices for enabling an elderly person owning his own home to increase his income by obtaining a loan from the life office.

The loan, in these circumstances, is made on the security of the borrower's property, and he applies the money to the purchase of an annuity from the life office.

Where appropriate, income could later be increased by taking an additional loan with which to buy a further annuity, Mr. Sheldon pointed out in a written Parliamentary reply.

When the rules, under which tax relief is allowable on interest paid were amended in last year's Finance Act, a special provision in Schedule 1 was incorporated to ensure that interest payable on loans up to a maximum of £25,000 under this type of scheme would qualify for tax relief.

It had now emerged, said the Financial Secretary, that where a second or later loan was taken in connection with an arrangement of this kind, which was effected after March 26, 1974 the consequence of provisions in Schedule 2 of this year's Finance Act was to impose a tax charge based on the amount of that loan as though there had been a surrender of rights under the original annuity contract.

"This result was not intended and where it occurred it would largely defeat the purpose of paragraph 24," said Mr. Sheldon.

"The Government therefore proposes to include in the next Finance Bill a short provision to rectify the position in those cases where the conditions for tax relief under paragraph 24 are satisfied.

"In the meantime, the Inland Revenue will, by concession, refrain from raising a tax charge in any case of this kind which may arise."

EEC legislation needs fuller debate, says MP

THE COMMONS was "not a mere gentleman's club." It was a place where men and women were supposed to look after the nation's interests, Mr. John Roper (Lab., Farnworth) told MPs yesterday.

He was speaking during a Commons debate on proposals put to the House by a Select Committee on procedure, for the consideration in greater depth of EEC legislation.

Such legislation is usually taken after normal Commons business ends at 10 p.m. each night. The new proposals would allow the EEC workload to be considered more fully in Standing committees.

Mr. Roper said he was a little tired of hearing speakers carp about the timing of such business.

Supporting the need for EEC legislation to be debated more fully, he suggested a system along the lines of that operated by West Germany, where a large burden of deciding on the importance of various documents rested with committee clerks.

Earlier, Mr. Enoch Powell (UUU Down S.) had said that on important matters it did not matter whether or not the House sat to midnight, 1 a.m. or 2 a.m.

Sir David Renton (C., Huntingdown) intervened to say that debates at those hours did not have "the same impact on the public" because the Press were not fully represented.

Mr. Powell: "The Press are surprisingly careless in having failed to note that some of the most exciting and interesting debates take place after they have closed their notebooks and gone to bed."

Opening the debate, Mr. Edward Short, the Leader of the House, said the Government accepted the need to take a lead in making debates on European proposals more effective. At the moment, European business was normally taken at 10 p.m. at the end of the Commons normal business.

There was a need to ensure, he added, that the House was able to "embody its views in a formal resolution."

New peer

MR. SIDNEY JACOBSON, former editorial director and deputy chairman of IPC Newspapers, was introduced in the Lords yesterday as Lord Jacobson of St. Albans.

Minister finds support for 'Buy British' call

SUPPORT FOR the "Buy British" campaign could be far greater if some British suppliers improved their performance, Mr. Peter Shore, Trade Secretary, said in the Commons yesterday. He had found considerable willingness among consumers to support the campaign.

Mr. Robbin Corbett (Lab., Hemel Hempstead) suggested there should be talks with the CBI and other bodies to try to put some "steam" behind the call to buy British.

He urged that the National Enterprise Board be set up quickly so that there would be enough British manufactured goods for people to buy.

Mr. Shore said that there might be opportunities to discuss the matter at the next NEDC meeting.

Health centres plan for Ulster

A TWO-TIER system of local health clinics and specialist care centres for Northern Ireland is proposed in a document published yesterday by the Department of Health and Social Services.

Mr. Roland Moyle, Northern Ireland Minister with responsibility for health, said: "Though not a panacea for all the problems of health care in the community, health centres should in future provide the main base from which health care radiates."

Challenge on Press charter confirmed

PEERS CHALLENGED the Government last night by carrying an amendment putting the power of the courts behind a "Press freedom" charter. Their action was fiercely attacked by the Lord Chancellor, Lord Elwyn-Jones, who said it could "wreck the running of Fleet Street."

The amendment was carried by 162 votes to 73, a Government defeat by 89 votes.

The amendment had been moved by Lord Hailsham, former Tory Lord Chancellor. It gives decisions of the body administering the charter the same force as agreements made by an arbitrator under law.

Lord Elwyn-Jones said that Lord Hailsham's amendment could "wreck the running of Fleet Street and damage the Press itself by its implications and consequences."

It was not confined to making compensation payable to individuals. It would enable a newspaper proprietor to claim enormous sums for the loss of an issue or the loss of sales.

The financial implications for unions, an editor, or an individual who might breach the charter and cause loss to an advertiser, for example, were deeply disturbing.

The Government did not think that the principle of compensation was an appropriate one to introduce. "We fear that it would transform the proposed supervisory body into something wholly different from what we have in mind."

The report of the Royal Commission on the Press, which would have the opportunity to study all the factors affecting Press freedom far more fully than had been possible within the context of this Bill, should be awaited.

APPOINTMENTS

Board post at Williams & Glyn's

Sir Michael Young Herries has joined the Board of WILLIAMS AND GLYN'S BANK. Sir Michael is a deputy chairman of the Royal Bank of Scotland. Both concerns are members of the National and Commercial Banking Group.

★

The National Freight Corporation states that Mr. J. F. Morton has been appointed managing director of NFC INTERNATIONAL HOLDINGS. He is finance director of that company.

★

Mr. A. T. Fletcher has been appointed group operations director and has relinquished his executive functions within BIFURCATED AND TUBULAR RIVET. Mr. G. Kershaw has been made managing director of the company.

★

Mr. J. C. Wilkinson, chairman of the Telefusion Group, has joined the Board of ANGLO MANX TRADE BANK.

★

Mr. Harold Bolter has been appointed to the newly-created post of public relations director of BRITISH NUCLEAR FUELS.

★

Mr. Michael A. Edwards has been appointed director of European operations for the NEPTUNE INTERNATIONAL CORPORATION of the U.S.

★

Mr. D. A. Wood, general manager—Scotland, and Mr. M. Dobbs, personnel manager, have been appointed divisional directors of HOLLIDAY HALL, a member of the Matthew Hall Group.

★

Mr. P. J. Schoombie has been appointed group secretary of GENERAL MINING AND FINANCE and has been succeeded by Mr. R. A. Wilson as secretary.

★

Mr. P. F. de Villiers has become managing director of SANDOCK-AUSTRAL.

★

Mr. J. F. Robb, engineering director of Scotts' Engineering, has been elected chairman of the NATIONAL ASSOCIATION OF MARINE ENGINEBUILDERS for 1975-76. Mr. E. P. Crowdy, managing director of Hawthorn Leslie (Engineers), has been elected vice-chairman of the Association.

★

Mr. Geoffrey A. H. Jones has been appointed chairman of SOUTHAMPTON ISLE OF WIGHT AND SOUTH OF ENGLAND ROYAL MAIL STEAM PACKET on the retirement of Mr. A. E. Ledger Hill, who continues as deputy chairman.

★

Mr. N. H. Waple and Mr. J. L. Dickinson (chairman and deputy chairman respectively of the Sheffield Twist Drill and Steel) have been elected to the Board of SKF-MALCUS AKTIEBOLAG.

★

Mr. Ian M. Meredith, formerly managing director of COATES BROTHERS (SOUTH AFRICA), has been appointed to the Board of COATES BROTHERS AND CO.

★

Mr. G. G. Reed has been appointed a director of AJAX MAGNETHERMIC (U.K.). He is chief engineer of the company.

★

Mr. M. H. Oram retires as actuary and manager and as a director of the NATIONAL MUTUAL LIFE ASSURANCE SOCIETY on November 12. He will continue with the society as a consultant.

★

Mr. Frank Woolliams, the assistant managing director of Lebus Upholstery, has been appointed to the main Board of the group holding company, HARRIS LEBUS.

★

Mr. John Wade West has been appointed financial director of NEIL AND SPENCER in succession to Mr. Norman Collins.

★

Mr. Charles B. Lunt has returned to the LIVERPOOL PORT EMPLOYERS' ASSOCIATION as executive vice-chairman, after two years' secondment to the Mersey Docks and Harbour Company's cargo handling division as its industrial relations manager. His appointment follows the departure of Mr. Frank Hunt to Botswana, Southern Africa, to take up a post of magistrate for the Crown Agents.

★

Mr. Michael R. Broadhead has been appointed group secretary and financial controller of HEYWOOD WILLIAMS GROUP.

★

Mr. John M. Fraser has been appointed to the Board of the LOW AND BONAR GROUP. He is currently group finance executive.

★

The University of Strathclyde has appointed six new members to the Steering Board of the STRATHCLYDE BUSINESS SCHOOL to fill vacancies. They are Mr. Peter Boen, Dr. Lawrence Boyle, Sir Robert Fairbairn, Mr. James Jack, Mr. Thomas MacPherson and Sir Ian Morrow. Chairman of the Steering Board is Sir Frank McFadzean. Dr. David Cameron has replaced Dr. D. J. R. Scott as an academic member of the Board.

★

Sir Philip Rogers, who has recently retired as Permanent Secretary to the Department of Health and Social Security, has accepted the chairmanship of OUTWARD BOUND TRUST and will take up the appointment early in the New Year. He succeeds as chairman Sir Spencer Summers, who retired in June because of ill health.

★

Mr. Brian D. Campbell and Mr. George H. Hoffman have been appointed joint managing directors of LONDON AND CONTINENTAL BANKERS.

Mr. E. Clifton Brown resigned as managing director at the end of September.

Mr. Roy R. Garnham has been appointed an assistant director of the bank. Mr. E. George Selby has relinquished his appointment as assistant director but continues as a consultant.

★

Mr. A. Procter, a director of TURNER AND NEWALL and chairman of its subsidiary, NEWALLS INSULATION, will be retiring on November 30.

From December 1, Mr. J. K. Shepherd, deputy managing director of TURNER AND NEWALL, will take over as non-executive chairman of NEWALLS and Mr. C. J. Sinclair will continue as managing director and become that company's chief executive.

★

Mr. J. A. Stephenson, a director of the HODGE GROUP and a general manager of the STANDARD CHARTERED BANK, has been appointed a deputy chairman of the Hodge Group.

★

Mr. Michael Franks has been appointed a non-executive director of BLUNDELL-PERMOGLAZE HOLDINGS. Mr. Franks is executive chairman of Clyde Paper and also on the Boards of Delphin Petroleum and Laurence Scott.

★

Mr. Norman J. Ferguson has been elected to the Board of NIGERIAN ELECTRICITY SUPPLY CORPORATION and continues as secretary.

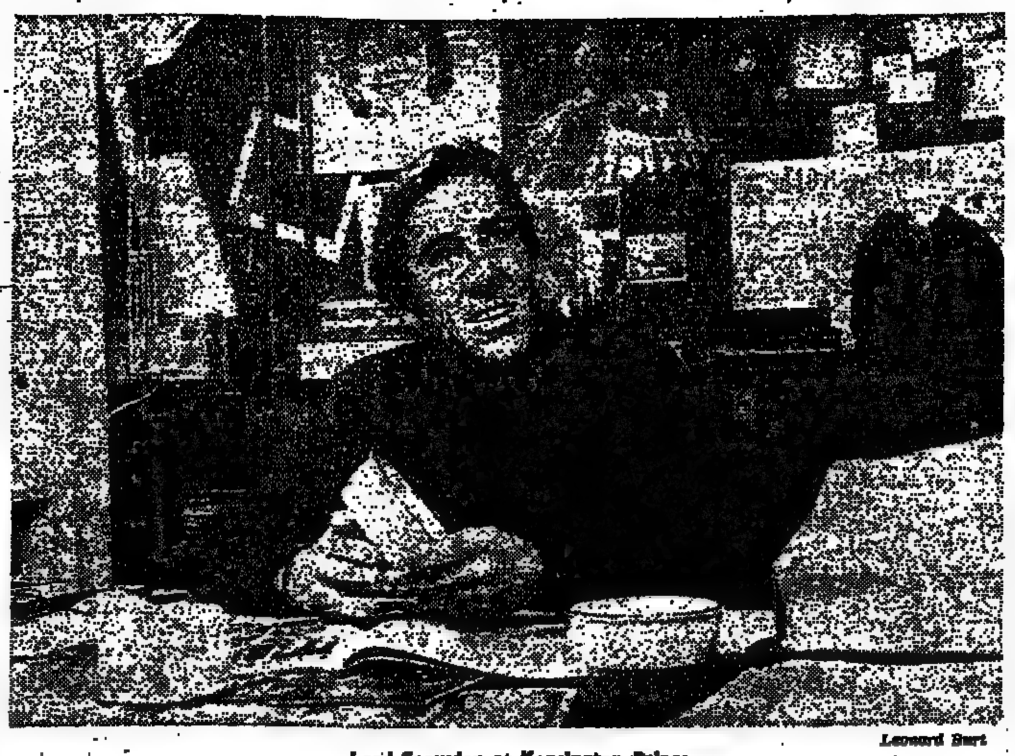
Lord Snowdon talks to Sydney Paulden about his

Crusade for better design

LORD SNOWDON points a finger at management and says: "Too many British boardrooms are stuffed with pseudo-Louis wall lights and repro-Jaco furniture. These are the symptoms of a frightened conservatism in design. Although the situation has improved in the last few years, too frequently it is the canteen and not the boardroom that is likely to inspire confidence in the future of British industrial design."

The same effect, he maintains, is sometimes noticeable in our embassies in foreign countries. Each time a new ambassador moves in, the interior is torn out and a totally different decor put in. But it is the ambassador's wife rather than a young, talented British designer who specifies the result, and it is paid for out of taxpayers' money.

Embassies, he says, are more permanent than their temporary residents and they, as well as the British boardrooms, should be the source of the patronage without which there can be precious little new creativity by artists of to-day.



Leonard Burt

Lord Snowdon at Kensington Palace

Weeks

Britain, Lord Snowdon feels, is still too engrossed in marketing the traditional. British Weeks and Store Promotions overseas still lay too much stress on Beefeaters and the Shakespearian. "It is right, of course, to sell the traditional while it is still so much in demand, but at the same time we must be preparing more for the future. New designs must be able to find space on the shelves alongside the traditional and it is the role of management to ensure that a proper allocation of resources is given to designs that will serve us well to-morrow."

Sitting in his study at Kensington Palace, Lord Snowdon was bubbling with ideas on the role of design in Britain's economic recovery after a stirring few days' tour of the Potteries in his capacity of Honorary Adviser to the Design Council, which he has been for 15 years. He had visited manufacturers of tableware, tiles, sanitary ware and ceramic components and had talked with directors, workers, designers and art students.

"I am not a member of the Council," he emphasises. He prefers a freelance position so that he can feel free to comment on the Design Council itself and can talk to industrialists without being a spokesman for official Council policy. "I can't be fired from the job by a managing director, but at the same time I'm not trying to teach grandma to suck eggs. I make such a tour once or twice a year either on a geographical basis or on a type of industry basis, but I never imagine myself a consultant to industry, nor do I see any point in just going round to dole out a bit of flattery. My main objective is to ask questions in the hope that the people to whom I put the questions will go on thinking about their answers long after I have left."

His tour confirmed his strong opinion that product design can make an enormous contribution to labour relations. "On a visit it is possible to determine the mood of a factory. If there is a good design policy, then everyone is proud of the product and works hard within a team. If people cannot feel this pride, if they cannot be creatively involved, then they lack inspiration and think of money and little else.

Mood

"This mood has no relation to the amount of mechanisation nor to the size of a factory. And it has nothing to do with which end of the market the product is aimed at. I visited one factory where they were turning out a tremendous volume of low-cost items, but they were well designed and conveniently and brightly packaged.

"One woman had an obviously deep sense of pride in her job, even though she was putting 400 dozen handles on mugs every day. In another instance, the in-house designer told me how proud he was that his products had been accepted for widespread sale by Woolworth's."

In Lord Snowdon's view, too many manufacturers in every kind of industry have tended to underestimate the welcome that the general public can give to good design. "You have to design up, not down. It is not just a question of designing for a few elite people with their own very personal tastes."

Lord Snowdon was at pains to explain that in his experience there has been a definite change for the better in industry's attitude to product design—not only for consumer goods but also for capital goods, where functional and ergonomic considerations come within the sphere of responsibility of the designer—a far cry from the early days when his speeches and comments on these tours were greeted with silence, reflecting a wide gap between *manufacturers and the Design* Council.

This feeling certainly did not exist on last week's Potteries tour—his speech at the annual dinner of the British Ceramic Manufacturers Federation in Stoke on Trent sparked a debate that went on till midnight.

However, one of Lord Snowdon's contentions is that there is still a lack of rapport and communication between the art college and industry. He is not sure whether the fault lies with industry or with the teaching institutions, but he is sure that more and more students are turning their back on industry. "It may be," he suggests, "that industrialists still do not understand how to provide the right environment and the right encouragement for the young designer." The right environment does not mean complete freedom without discipline, nor does encouragement mean eternal pats on the back without criticism.

"As a photographer," he says, "I know how valuable it is to meet criticism as well as enthusiasm. There has to be someone to say 'Tony, this set of pictures is appalling,' or 'Brilliant, this is really good stuff.' *This keeps the adrenalin* flowing."

In the field of industrial design, Lord Snowden is not advocating avant-garde products. "It is not clever to fail by being too far ahead of your time. Alec Issigonis, the designer of the Mini, always stresses how important it is to be just ahead so that you are still able to take people with you."

Lord Snowdon is not pushing any one design style or approach; his crusade is to convince British management that a vital part of their role is to act as patron for top, young, British artistic talent and to show some adventurousness in their design policy. "We have met industrialists at the Design Centre," he recalls, "who have said: 'OK, we'll take on a designer of your choice if you can guarantee that his products will be best sellers on the international markets'. This is not the approach that made British design great in the past. My worry is that, 100 years from now, a British Antique Fair is going to have a very small range of exhibits from the period that we are now living in."

BOOK REVIEW

Problems in print

Industrial Relations in Fleet Street by Keith Sisson. Blackwell, £5.50

WHETHER COINCIDENTALLY or not, this book appears at a most opportune time, when all Fleet Street managements are seeking (not for the first time, but more urgently than ever) to cut back on their staffing levels both in the light of the precarious financial situation of the national newspaper industry and in the light of the imminent introduction of totally new and more automated printing technology.

Given that Mr. Sissons also had unique access to basic industrial relations data in Fleet Street as Labour Secretary at the Newspaper Publishers Association from 1968 to 1970, his book is bound to be required reading for managers and unions seeking to bring in the new technology without the kind of bloodbath confrontation that happened in New York. There, in large part because of union-management antagonism over new printing systems, five out of eight newspapers have died.

It is not that Mr. Sissons goes very far in offering prescriptions for future action, beyond the very valid assertion that a unified industry-wide approach to the problem is needed, perhaps with the prodding of the Government's Conciliation and Arbitration Service (or the Royal Commission on the Press?). Previous attempts at new industry-wide machinery for tackling this type of problem have been abject failures.

Rather, the strength of his book lies in the ordered detail with which he analyses what must be one of the most complicated and hard-to-understand labour situations in the country. Fleet Street, with its narrow geographical confines, 300-year history, competing unions, competitive proprietors and political significance, has long fascinated specialists in labour relations. But no one has so far managed to map out the jungle of payment systems, job rights and managerial attitudes as well as this.

While for understandable reasons Mr. Sissons has had to stop his analysis short at 1970, and to a degree obscure the individual identities of the newspaper companies discussed, this is nevertheless a mine of thought-provoking comprehensive information for those seeking to plan from the inside or guide from the outside the economic future of Fleet Street. Equally thought-provoking is his conclusion that there has been in practice a tacit collusion between managements and unions over what outsiders regard as the labour malpractices of Fleet Street, not least to prevent any one management gaining any advantage over its rivals through the introduction of new technology.

REX WINSBURY

Art Garcia describes why the games had to stop at Revell.

Making money out of toys

DESPITE A declining child population through last year, toy sales in the U.S. have climbed steadily, topping $4.5bn., a 7 per cent. gain over 1973 and double the figure of a decade ago.

U.S. toy purchases last year averaged $83 for each youngster, about $7 more than in 1973.

But while the toy business was charging ahead, the hobby/craft industry was also ballooning into a billion-dollar-a-year operation. Sales between 1963 and 1973 tripled to $1.2bn., with plastic model kits bringing in $202m. of that.

These are big markets, but they are different—a fact recognised a few years ago by Revell, Inc., in time for this maker of plastic hobby kits to avoid bankruptcy and piece together a recovery that has seen it grow into the largest multinational producer of plastic model kits sold throughout the world.

U.S. sales last year were $14m. but international turnover rose to $15.6m., or about 53 per cent of the total, the first time corporate sales shifted in *favour of foreign business.* Overseas sales are expected to account for about 55 per cent. of 1975's sales, too.

Revell's British operations and plant at Potters Bar, are managed by Mr. Don Shepherd. WWII aircraft are the best sellers in Europe—cars in the U.S.

Caught up in the "growth-at-any-cost" fever of the 1960s, Revell had broadened into ill-advised diversification that threatened its survival. The company imported a line of model trains from Europe and built others in the U.S.; it turned out home racing sets, built products for commercial toy racing centres, and plunged into the education market with a line of records, booklets and film slides for classroom use.

Expanding

While Revell was expanding, the U.S. economy was contracting. Several millions of dollars were being spent on new product development and introduction without the support of higher sales and profits. Revell was shipping to too many customers, mostly small businesses that were poor credit risks. The company's inventories fattened to nearly $5m. by 1970 as accounts receivable also mushroomed. A number of customers also were going out of business as interest charges for the heavy inventory climbed.

A desperate effort to solve the liquidity crisis—and save the company—was launched in 1970. Money-losing, non-hobby kit products were dropped and so were marginal hobby kits. The product development budget was sliced and customer credit requirements upgraded. Inventory was reduced and so was staff. New financial controls and corporate planning programmes were introduced and the decision was made to concentrate on plastic hobby kits.

The company took a hard look at itself in terms of the kind of products it made and the business it was in. "We had gone into other kinds of products in our 25-year history as a hobby company. We decided the business we knew best was model kits and that's what we've concentrated on," says Mrs. Royle Glaser Lasky, whose late husband Mr. Lewis Glaser began producing plastic toys in a small shop when World War II ended. It was Mr. Glaser's decision in 1952 to diversify so Revell could become "the General Motors of the plastic kit industry."

But that dream faded with the hard economic realities of the early 1970's, and the job of putting the pieces back together again fell mostly to Mrs. Lasky. "We divested ourselves of all other product lines and we did this, coincidentally, because they were less profitable," she says. "The products we knew how to make best were where we made the profit. It also is where we have a consumer franchise throughout the world with the Revell name and logo."

A next step was to expand the hobby kit products to appeal to all ages. "Originally, the products were really for nine-to-14-year-old boys but we've expanded the lines within hobby kits down to 8-year-olds and up to 80 year olds," explains Ms. Lasky. "We went to different outlets, into drug stores and mass merchandisers and self-service units, and then we expanded our overseas operations."

Besides its domestic manufacturing plant in Venice, an ocean-side suburb of Los Angeles, Revel has production plants in Bunde, West Germany, and outside London. Assembly and distribution plants are located in Toronto, Canada, and Melbourne, Australia.

Licensees use Revell tools to make hobby kits in Japan, Mexico, New Zealand and Brazil, paying royalties that are not included in sales figures. West Germany, where Revell has been established since 1958, is now the company's biggest overseas market, with last year's sales reaching about $10m., or approximately two-thirds of total international sales in 1969, are no longer corporate sales.

The emphasis on Revell's products, 75 per cent. of which retail for less than $5, is authenticity and exacting detail.

Models of World War II planes are the top sellers around the world, except in the U.S., where the hottest items are cars of all kinds. Ships are the second-best seller in Europe but are third in the U.S. Space rockets and capsules, which represented about a third of sales in 1969, are no longer popular.

The rescue attempt was a success. Over the past four years, Revell's sales have doubled while earnings have increased ten times. Volume grew from 1971's $16m. to last year's $29m. and after-tax profits gained from $163,000 to nearly $1.2m. in 1974. Moreover, Revell has proven it is less vulnerable than other companies in a recessionary economy.

"The reason is simple," maintains Mr. Marshall Metlen, executive vice-president and chief operating officer. "We're a non-durable goods manufacturer of a very low-priced consumer product, one that uses leisure time and is children oriented. All of these things lend themselves to not being as susceptible to bad economic conditions." Neither, he adds, is Revell dependent upon outside sources for product, components or materials, nor on any single national economy. Also *a plus is that its products sell* year-round, throughout the world.

With its recovery apparently secure and higher sales and profits in store for 1975, Revell still isn't without problems. "We've got a lot of problems—marketing problems," admits Ms. Lasky.

"The buyer usually is buying the product as a gift and is not the end-user. So our product has to appeal to the buyer, even though the buyer is not the builder. Sometimes the builder is the buyer, and then we have to appeal to the builder — and not the buyer," she sighs. Then there's another element: the hobby kits are aimed mostly at males, but 50 per cent. of the buyers who are not builders are women.

Market research has helped in designing kit packages that appeal to women who are buying the product for men and boys. And to get model builders started young, the company developed products that do not require cement and are simpler to put together.

Revell over the past 12 years also has made available point-of-sales sweepstakes entry blanks and literature, offering as major prizes this year a Cessna 150 aeroplane and motor-cycles — real ones — as well as Revell hobby kits. The programme is backed by national advertising and has been "highly successful," Ms. Lasky says. Revell also signed up top racing cars, producing endorsed models that cannot be duplicated by others. "There are some imitators out there," smiles Ms. Lasky. "There are no competitors."

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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TUESDAY, NOVEMBER 4, 1975

The mortgaged inheritance

THE official inauguration of the North Sea oil flow by the Queen yesterday is an occasion for relief, if not for the rejoicing in which the country indulged prospectively when the first discoveries were made. The chickens we too rashly counted in the egg are at any rate hatching, if not necessarily on time; and if the costs of incubation have been rather higher than we expected, they are still well worth having. To put a much discussed question in a nutshell we will be rather worse off, even when we reach full self-sufficiency in about 1980, than we were when we were importing cheap oil two and a half years ago. Domestic oil will cost us substantially more, in real terms and even in balance of payments terms, than Middle East oil used to cost. On the other hand, we will be very substantially better off than we are to-day — or would be, if we were living within our income.

Dissipation

The trouble is, of course, that like a young heir who has fallen into dissipation, we have so far anticipated our good fortune that the inheritance is largely mortgaged. Since it would simply not have been possible to get so far into debt as we have now sunk, both domestically and internationally, without the expectation of North Sea oil, it is possible to draw a sour moral from our good fortune. It is more constructive, though, to remember that it is good fortune, and see how far it will go to cure our present discontents.

Our progress towards self-sufficiency has two main effects: on the balance of payments and on the Government's finances. The revenues now enjoyed by the countries which supply us are diverted to our own Exchequer; and a further, smaller sum representing the operating costs incurred in the U.K., and the revenues of the British enterprises in the North Sea, will add further both to the balance of payments benefit and to the income of the private sector. Next year, if all goes well, the Exchequer should benefit by some £480m., and the private sector in the U.K. by about £150m., giving a total balance of payments benefit of some £630m.

These gains are certainly welcome, but measured against a public sector financial deficit of £10bn. and a balance of payments deficit of £2bn., they clearly do not alter the basic picture of our situation. By 1981 or thereabouts the flow of oil and benefits will be much greater: a transfer of more than £4½bn. from the balance of payments into domestic income, of which the public sector will take about £3½bn.

The sad thing is, of course, that by 1981 we will need a large surplus on the current account to set about repaying the enormous debts we will have incurred abroad in the interim; and since any recovery in the domestic economy will certainly draw in substantially greater imports, a £4½bn. improvement is scarcely enough to provide the funds we require. Economic recovery would reduce the public sector deficit: but again, a £3½bn. windfall improvement in revenue will not be enough to restore balance. To put the whole equation in real terms, an addition of 0.8 per cent. to the growth of national income over the next six or seven years will improve our performance, but will not transform it and it offers nothing to the consumer.

Real message

It is nevertheless daunting to imagine what our situation would now be had the North Sea produced a disappointing yield; and worth remembering that should some future discovery or some future upheaval make the present OPEC price untenable, the North Sea could rather suddenly be degraded into a rather high-cost strategic reserve. For the immediate future, the benefits look secure; thanks to them, the task required of national economic management — notably the cutting of unproductive public expenditure — is demanding, but not impossible. The real message of yesterday's ceremony is that thanks to the North Sea we still have a few years to undo the consequences of a generation of wishful thinking, and a century of economic laggardliness. It is a frighteningly short time to achieve so much; but the chance will not recur.

Political deadlock in Canberra

MR. MALCOLM FRASER, the Australian Opposition leader, has offered to end the Senate's delay in approving Government funds in return for a promise of general elections before the middle of next year. Mr Gough Whitlam the Prime Minister, has termed the offer "a back-door deal" and firmly turned it down. The Australian political crisis thus continues and, unless tempers cool, seems likely to continue for the foreseeable future.

Scandal

The present state of affairs is doing no one any good—neither Mr. Whitlam himself, nor Mr Fraser nor Australia as a whole. Mr Whitlam may be at his best when in a fight — he has already won back a few points in the popularity polls since Mr Fraser sought the showdown by delaying Government funds. But it is a pugnacious best, representing perhaps one side of the Australian character, which has little to do with governing the country. It is the fighting spirit under which he won two elections by a small majority, and then chose to interpret the results as a mandate for sweeping change, which his Cabinet was in any case quite incapable of introducing.

Mr. Fraser, on the other hand, may have miscalculated. He chose to issue his challenge when the Government's fortunes were at a low point. It was once again rocked by a scandal in which the sheer incompetence was even more striking than any impropriety: a Government Minister, Mr Rex Connor, had continued to seek an unorthodox and highly unlikely loan even after his authority to negotiate had been withdrawn by Mr Whitlam. Mr. Fraser, who had been urged before to use the Opposition majority in the Senate to bring down the Government, saw his chance. There would hardly be a better or so it seemed.

Mr. Fraser's action was also perfectly constitutional. It is the business of an opposition to oppose and to seek to replace the government if it can. There is no doubt either about the Senate's powers to block or delay financial appropriations, even though they have never been used in this way before. Since then, however, the Opposition has been unable to implicate Mr. Whitlam himself in the scandal and it has clearly underestimated his power to fight back. Indeed, something of his taste for the conflict may be seen from his remark the other day when he acknowledged that blocking the budget would create "utter financial chaos," but then added: "It will be my exquisite duty to ram this message home to the people of Australia in terms that neither they nor the leader of the Opposition will ever forget."

Personal

The result is that—in the phrase of Clement Attlee—both men have nailed their trousers to the mast and can't climb down. Mr. Fraser's reputation as Opposition leader is staked to the challenge in the Senate coming off. Mr. Whitlam is equally determined to cling to office, at least until his party stands a better chance of electoral success. The situation is not conducive to good government, nor indeed to any government, and is the more depressing in that Mr. Whitlam has such a disappointing record to defend. It is making Australian politics even more than usually a matter of personalities and personal accusations at a time when the Government might just have begun to have learned from its mistakes of the past. There will have to be an election in the end and almost whatever happens now is part of the run up, but it is unlikely to be a salutary experience.

The State aid for the RB-211 could pay dividends after all. But now Rolls-Royce may return for more

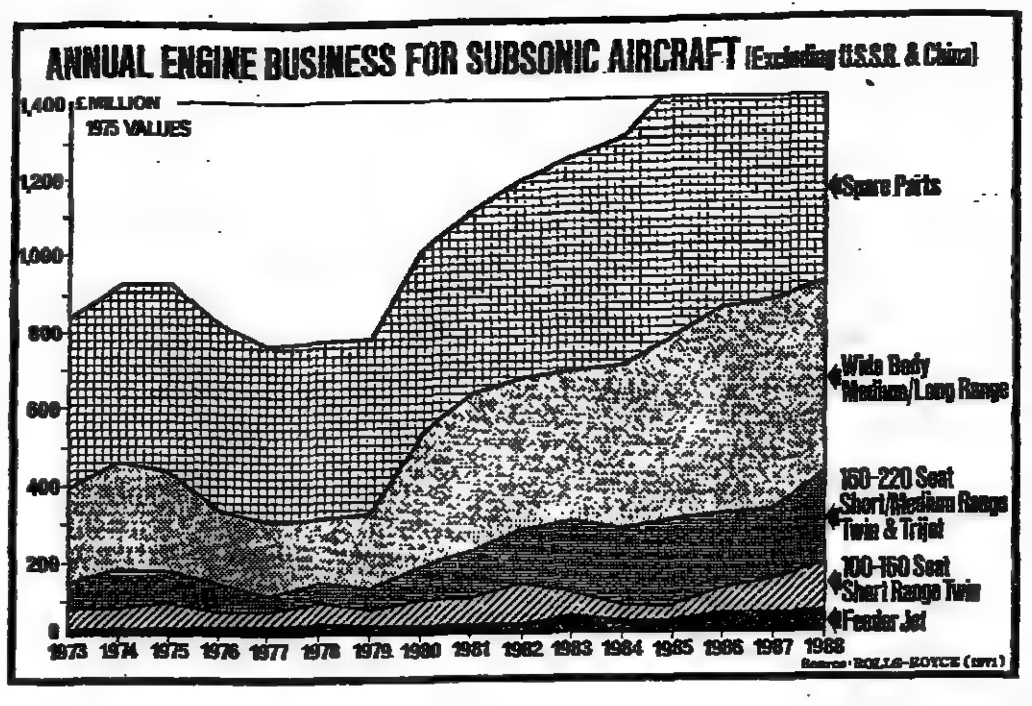
The next jet engine challenge ahead for Rolls-Royce

By MICHAEL DONNE, Aerospace Correspondent

RECENT suggestions that the Government is expected to make a profit on production of the first 555 Rolls-Royce RB-311 engines will have probably come as a welcome surprise to many who thought that this engine was likely to be a permanent drain on the country's resources. In fact, much of the present gloom in the civil aerospace manufacturing business, stemming from reduced airline procurement, could be dispelled quite quickly once a general world economic upturn occurred. Rolls-Royce, one of the three biggest aero-engine builders in the world (the others are General Electric and Pratt and Whitney of the U.S.) is currently preparing to meet that situation, not only with the RB-211, but also in other fields. The RB-211 results could prove helpful, therefore, in making any case to the Government for further support on new engine ventures that are likely to be needed in the period immediately ahead.

So far as the RB-211 is concerned, under the present arrangements, in addition to investing about £135m. in the launching and development of the Dash 22 version of the RB-211, the Government has been paying all the production costs on the first 555 engines. In return, it is getting all the proceeds from the sale of those engines, of which just over 500 have now been delivered. It was originally expected that, apart from the launching cost, the Government would incur a loss of about £45m. on production of the first 555 engines.

Revised estimates, however, suggest that there will be a production profit of some £50m. by the time the 555th engine is delivered around early-1977. This, after taking account of a £20m. contribution the Government is making to warranty liabilities on the engine, should leave it with a profit of about £30m. on a total production cost of about £270m.



Paying a levy

There are several reasons for the improved position. One is the efficiency with which Rolls-Royce has built the engine; another is that a predicted loss to the Government of some £20m.-£25m. as a result of the 1971 dollar devaluation did not arise because of the later devaluation of the pound. The progressive fall in the value of the pound is increasing the sterling return to the Government, because Lockheed and most airline customers pay for their RB-211s in dollars.

After the 555th engine has been delivered, Rolls-Royce will be on its own, bearing all the production costs but retaining the proceeds of the sales. It will have to pay the Government a levy of 7 per cent. of the selling price of each engine built, however, to enable the Government to recoup its original £135m. launching investment on the Dash 22. On an average engine price of about £700,000, this would indicate a levy of around £50,000, in turn indicating that Rolls-Royce will have to sell something like another 2,500 RB-211s in order that the Government fully recoups its initial launching investment.

Development cost

At this stage, the Government has finished paying launching aid on the Dash 22 version of the engine, but it is contributing up to £35m. for the development of the more powerful 50,000-lbs thrust version, the Dash 524, with Rolls-Royce paying the balance of £45m. of the development cost of that model. Beyond that, there is a further Government promise of another £12.3m. to help take the Dash 524 up to 53,000 lbs—these sums also due for recovery through the levy on sales.

No account is taken in these figures of the value of spares, however, which all goes to Rolls-Royce, and this business could be substantial. The Derby Engine Division currently has a spares business covering all its engines, including the RB-211, amounting to about £140m. a year, out of total annual external sales of £251m. It is estimated that, over the life of any aero-engine, the value of spares bought by customers is equal to 150 per cent. of the first procurement cost. This indicates that on the first 555 RB-211s worth more than £388m., there is an actual and potential spares business amounting to about £582m.

The task of selling well over 2,000 more RB-211s before the Government recovers all its money may appear to be a daunting prospect, yet it is not quite such an impossible task, especially when viewed against the normal background of the aero-engine business, which is essentially a long-term one. Rolls-Royce says that the lifetime of any gas-turbine engine project from its initial launch to the sale of the last spare part to support the engine in service varies from 30 to 50 years, depending on its timing and its success in filling a particular gap in the market. Since neither of these criteria can be guaranteed in advance, it is not possible at the time of launching a new project to produce an accurate forecast of sales, but historically most forecasts have proved to be underestimates. The Dart turbo-prop engine, for example, which was launched in 1948, with first deliveries in 1952, is still selling well, and by the end of 1974 had sold 6,446 engines. By 1980, this figure is expected to reach 6,896 engines, worth about £1.2bn., including spares. Similarly, the civil Spey engine, widely used in such aircraft as Tridents and One-Elevens, Fokker F-28s and Grumman Gulfstream IIs, by 1980 will have sales of 2,435 worth about £1.2bn., including spares.

Rolls-Royce's view is that despite a present reduction in the volume of RB-211 production to meet the reduced demand from Lockheed (which has cut its own TriStar deliveries down to meet the recession in the world air transport business), the RB-211 can be expected to follow the overall trend, and that it will be well into the 21st century before the final spare part is sold for the last variant of the RB-211 engine to remain in service.

The opportunities for the RB-211, of course, will depend entirely on the state of the world air transport market in the years ahead. In common with other major aero-engine manufacturers, Rolls-Royce has made its own estimates of that demand, in the belief that the current recession is likely to be temporary, although accepting that when the improvement comes it will be at a slower annual rate of growth than has been customary in the past — say at between 5 and 8 per cent. a year, instead of the 12 to 15 per cent. of the late 1960s.

Continued expansion

On this basis, the forecast broadly indicates that while present world-wide annual civil subsonic engine sales are running at between £800m.-£900m. a year (of which spares alone account for roughly half), by 1980 this will have risen to about £1bn. a year, with the expansion continuing thereafter to reach more than £1.3bn. a year by 1985. Again, spares business will account for about half of this total.

Much of the company's confidence in this longer-term expansion is based on the fact that by the end of this decade or early into the 1980s, many of the jets currently in widespread use such as Boeing 707s, DC-8s, and short-haul One-Elevens, Tridents, DC-9s, and Boeing 727s and 737s, will be ageing, and that a strong replacement market will have emerged, especially in the short-to-medium markets for airliners seating around 80-100 pasengers and 180-220 passengers. It is in the latter area that the airframe designers are concentrating their efforts at present.

Assessing Rolls-Royce's share of this market, against the competition from General Electric and Pratt and Whitney, is clearly difficult.

Strongly placed

But the company is already moving to ensure that, primarily with the RB-211, it will be strongly placed in the field. It sees much of the future being met by derivatives of the current generation of "wide-bodies," such as further versions of the Lockheed TriStar, the Boeing 747 Jumbo jet and the McDonnell Douglas DC-10 and European Airbus. This is why it has already moved to get the RB-211 in the Dash 524 version offered as an alternative power-plant for the Jumbo jet, and has responded readily to a suggestion from McDonnell Douglas that it should consider the RB-211 as an alternative for the Series 30 long-range version of the DC-10. Also, Rolls-Royce is still pressing behind the scenes for the RB-211 to be offered as an alternative power-plant in derivatives of the European Airbus now being mooted, such as the short-to-medium haul B-10 model for 185-216 seats.

Throughout the world, a number of airlines has shown interest in all these developments (British Airways has already ordered the RB-211-powered 747 Jumbo jet), and there are hopes that over the next year or so, there will be some further orders. Much of future development of derivatives of the Airbus appears to be linked to the current discussions between European governments and aircraft manufacturers on the possibilities of creating some kind of European medium-range project with which to meet future markets, and it may take some months for these ideas to clarify.

Any analysis of the future civil airframe and engine market, however, shows clearly that Rolls-Royce cannot depend entirely on the "high-thrust" RB-211 for its future. Much of the market of the next ten to 20 years will lie in the smaller engine field—the so-called "10-to-15 tons" thrust class of about 20,000-25,000 lbs. which will be required for the new short-to-medium haul jets in the 80-120 and 180-220 passenger categories that will emerge on both sides of the Atlantic. The RB-211 will be too big for this market, which is likely to be massive.

Currently, there are two engines under development to meet this requirement—the CFM-56 which is being developed jointly by Snecma of France and General Electric of the U.S., and the JT-10D under development by Pratt and Whitney of the U.S. Rolls-Royce is not in this market as yet, but it has been having discussions with Pratt and Whitney on the possibilities of participating in work on the JT-10D. It is hoped that well before the airframe manufacturers make up their minds on what new ventures they are to offer the airlines for the early 1980s onwards—which means decisions some time in 1976 or early 1977—Rolls-Royce and Pratt and Whitney will have reached some agreement, and will thus be able jointly to offer an engine (almost certainly based on the JT-10D if not that engine itself) to compete with the CFM-56.

Injection of funds

Such a development will require a substantial injection of funds, by Rolls-Royce and probably also by the Government. The exact amount is not yet known, but it is likely to be substantial, since the development of any new aero-engine to-day is measured in hundreds of millions of pounds.

This may give cause for concern to those who believed that by spending on the RB-211, the Rolls-Royce problem of 1971 was settled for all time. But the aero-engine business is a continuing one, and it covers the entire spectrum of the aviation market, civil and military. By supporting the RB-211, the Government effectively settled the U.K.'s share of the "big end" of the engine market of the future, but the question of the smaller engine field is now emerging strongly. The Government could say that enough is already being spent on aero-engines, and that in present economic circumstances no more will be forthcoming. This, however, would mean that Rolls-Royce would be either out of the big markets that are likely to emerge in the years ahead in this field, or at best be in only as a sub-contractor to another engine-maker. The company believes strongly that it must be in the "big end" of the business, and it is hoped that the Goverament will feel the same.

MEN AND MATTERS

Saving Creation

Publishers of periodicals in the U.K. are not having the happiest of times at the moment, and apparently the same applies to the Republic of Ireland where there are considerable doubts over the future of Creation, the Dublin based printing and publishing group whose publications include two leading Irish women's magazines and the leading Irish business wekly in addition to its interests in substantial export printing contracts.

Like most publishers Creation has had its cash troubles over recent months, but fears of severe difficulties subsided when Michael Smurfit, managing director of Jefferson Smurfit — a leading Irish public company with a London quote — showed interest in a possible deal. Now it seems that Smurfit has changed his mind after reading a report from his personal trouble-shooter Roger Troughton.

Creation was founded in 1965 by Hugh McLaughlin, who is the current managing director and who holds 17 per cent. of the equity. The News of the World Organisation took control of the group in 1968, but when Murdoch took over NoW, control reverted to the Carr family, former proprietors of the NoW. To-day Clive Carr is the biggest single shareholder with a 37 per cent. stake: other substantial shareholders include Spey Investments (these days owned by merchant bankers William Brandts) and Northern Bank Finance Corporation, which is owned by Midland Bank.

McLaughlin, however, is the key figure. Some three years ago he dreamt up the launch of the *Sunday World* and is to-day majority shareholder in a separate company which publishes this now highly successful newspaper. Apparently he offered the idea to Creation but his fellow directors felt that the venture was too risky. They agreed to his going ahead independently so long as Creation got the printing contract.

There has been much speculation in Dublin recently that since the paper has proved to be such a success McLaughlin wants to pull out of Creation and take his printing contract with him. This was confirmed yesterday, and in fact he has already acquired premises and machinery for the *Sunday World* and expects to start printing independently within the next few weeks.

The prospect of the loss of this £650,000 a year contract by Creation could well have tipped the scales in Smurfit's decision not to bid. Creation is already making losses in the region of £80,000 on a turnover of £3.5m., and is also highly geared.

Other possibilities exist however. Roger Troughton admitted yesterday that one of them was that he would bid for control in his own right, carry out a major reorganisation, and then perhaps sell the trimmed down version to Smurfit. Also, apparently, one British company has registered interest in the situation.

Hancock's law

Australian enterprise isn't confined to weird Arab loan negotiations and Government crises. Being a big country, things tend to get done in a big way, and that certainly applies to one Lang Hancock, one of the country's leading iron ore exporters. In Western Australia, the non-Communist world's largest iron producing region, Hancock has recently put down an airstrip and thrown up a causeway.

These works have been completed at a spot called Ronsard Island, a site Hancock favours as the terminal of a railway route from ore deposits about to be tackled at Marandoo. Trouble is, Hancock's piece of engineering took place on crown land, and he neglected to obtain either local or state government approval.

That and Hancock's evident disdain for officialdom clearly irritates Andrew Mensaros, the State Minister for Mines and Industrial Development, who complains: "Hancock replied in a most flippant letter to a letter I sent. I have registered my strongest concern that the statutory formal approvals must be obtained before any work proceeds." Looks a bit late for that.

"What the hell's the use of all this oil if we don't have a motor industry?"

A mortgage punt

The Building Societies Association would probably have heart failure and so would the Left-wing of the Labour Party, but in Chicago nobody is turning a hair. While those in the U.K. involved in financing house purchase and generally promoting owner-occupation are trying to compromise between morality and financial realities the Chicago Board of Trade has set up a futures market based on mortgage interest rates.

To put things in perspective the mortgage situation works differently in the U.S. There, the borrower has a fixed rate of interest and it is the lender who is at risk from fluctuating interest rates, with the mortgage taking the form of a bond. These bonds can be traded over the counter and are therefore little different to fixed interest stocks in this country.

The top echelon of such bonds are Government National Mortgage Association mortgage interest contracts which carry U.S. Government backing. That mouthful has been attractively abbreviated by the Americans to "Ginnie Mae," and it is in Ginnie Maes that the Chicago Board of Trade is making its futures market.

The CBT itself is an interesting animal. Chicago is the heart of the world futures market, and the CBT does around two-thirds of the business carried out there. From an initial start in wheat it has expanded into maize, soya products, gold, silver, plywood and lumber—and now mortgages. It was also responsible for the setting up of the Chicago Board Options Exchange which has outgrown its parent in spite of the latter's dominance in the futures field.

Most unfair

Perhaps we should treat this story with scepticism, since it did come yesterday from a Spanish reporter in Morocco covering the Sahara crisis. He claims the Moroccans have imported 1,500 chimpanzees and thousands of bees to go ahead of the "peace marchers" heading into the desert to discover the exact location of Spanish minefields. Presumably the bees will chase the chimps to blast-off.

Observer

A subsidy cliff-hanger for the arts

BY MICHAEL THOMPSON-NOEL

FOR MONTHS now the arts in Britain have sung a song of toil and trouble. But it was not until Mr. Roy Shaw, the new secretary-general of the Arts Council, delivered last week's devastating catalogue of the ills in the arts that the absolute bleakness of the situation was exposed.

Mr. Shaw spoke of the profound difficulties confronting the national arts companies; the financial havoc in the regional theatre; painful cuts in the Council's grants to music and literature; the plight of Britain's orchestras; and threats to the future of the visual arts. The inadequacy of the Arts Council's grant, and Government delays in notifying its scale, were endangering the continued existence of the 900 subsidised arts organisations which the Council supports.

Change

In many ways Mr. Shaw's statement appeared to mark a radical change in the tenor of the Arts Council's relationship with the Government. Until now—whatever its influence behind the scenes—the Council's approach has seemed quiet and restrained. But not any more. Mr. Anthony Field, the Council's finance director, said: "We are reaching the stage where the method of giving subsidy to us—on a stop go basis—is grinding everything to a halt." And Mr. Shaw said: "We accept, of course, that, in a period of recession, arts organisations—like everyone else—have to tighten their belts. *The danger is that some organisations are being forced to tighten their belts so much that the life may be squeezed out of them.*"

But Mr. Shaw stopped short of all-out hell-broth boil and bubble. He went out of his way to correct the impression that the Arts Council was specifically blaming the Government and he was also careful to absolve Mr. Hugh Jenkins, the Arts Minister, saying that he had been particularly helpful in persuading the Treasury to provide money to enable the National Theatre to move to its new South Bank, London, theatre next year. "We're presenting the facts as we see them, not handing out blame. We're simply saying that the wolf is no longer at the door. He is now inside, and the wolf is inflation."

Mr. Shaw added that the recent appointment of a Cabinet Minister, Mr. Harold Lever, to look at the general problem of money for the arts—Mr. Jenkins is a junior Minister and has no seat in the Cabinet—was certainly welcome. "But the situation calls not only for long-term planning but for swift action now."

Not everyone agrees that there is a need to spend more *money on the arts*, at least in these straitened times. But the fact is that the arts are virtually on their knees. Mr. Shaw's statement raised two broad points: first, the need for more money; second, the equally pressing need for a speedier indication from the Government of what future grants are to be, so that the organisations that rely on it for support can embark on at least rudimentary financial planning.

Swamped

The Arts Council's grant for 1975-76 totals £26.15m., 22.5 per cent. more than it received last year. The trouble is that the increase of £4.8m. has already been swamped by inflation. Mr. Field says that, whereas the general cost of living increase over the last year may have been running at around 26 per cent., inflation in the arts has rocketed up to 45 per cent., the result of extraordinarily severe increases in production material and theatre running costs.

The Council reckons its subsidy next year should be at least £40m. solely to keep the arts ticking over at their present restricted rate. In fact, the Council is unlikely to be told *what money* it will get until January, whereas ideally it should have been told a month ago. Theatres and orchestras are thus attempting to make their plans for the period after next April without any proper knowledge of what their grants are to be. "They beg us to tell them what they may expect," says Mr. Shaw, "and we have to tell them that we do not know. This is no way to run the arts."

In turn, says Mr. Shaw, the current reduced level of arts operations does not mean less work for the Council, whose officials "spend a great deal of time with officers of subsidised bodies simply trying to fend off disaster. This depressing occupation is bad for the morale of the whole arts movement in this country."

The position throughout the arts is certainly depressing. To start with the big subsidised national companies, the Royal Shakespeare Company's expected £200,000 deficit could mean that the company will be forced to abandon its work at the Aldwych Theatre, London, after next spring and retreat to Stratford-on-Avon.

In line with its more aggressive public relations approach, the RSC this year has been by no *means* backward in listing its financial worries, and these are severe. Mr. Kenneth Cork, the RSC's chairman, said recently that the theatre's Arts Council grant for 1976-77 would be appreciably higher than its current £680,000 but still not high enough to finance both this year's forecast deficit *and* a full programme of work next year.

At Stratford the RSC's present season has been slashed to four productions instead of the normal five or six, while at the Aldwych the company has changed from a repertoire to a repertory system to cut production *costs*. Although seat prices have been raised by 13 per cent. and the RSC's planned work programme budgeted to hold 1975-76 costs at only 11.36 per cent. above last year's levels, the company is now facing financial and artistic collapse.

The position at the National Theatre is slightly less dramatic but more obscure. At present the company is due to move from the Old Vic to its new £12m. South Bank theatre next March and the Arts Council and the Greater London Council are expected to guarantee a total of £2m. both to cover the move and the first year's operations. The first of the three theatres in the new building to open will be the 890-seat Lyttleton Theatre, followed about mid-June by the 1,160-seat Olivier Theatre and the workshop Cottesloe Theatre.

A figure of £2m. is something of a rock-bottom subsidy anyway, and the Arts Council is fearful that after February 28—the date of the National Theatre's last performance in its present home—the Old Vic will have to close indefinitely for lack of money.

At Covent Garden, the Royal Opera House has a current forecast deficit of £300,000 after all conceivable cuts have been made and the future of the Royal Ballet's touring group is in doubt. The Royal Opera's present subsidy is £3.2m. but this will have to be boosted to at least £4.5m. next April. Mr. John Tooley, the general administrator, has spelt out the ambitions at Covent Garden quite straightforwardly. "We are determined to remain a great international opera house; we want to maintain and improve standards; and we want to be widely accessible to the public."

Co-productions

Last July, announcing average seat price increases of 22.5 per cent., Sir Claus Moser, Covent Garden's chairman, said the Opera House received less than half the grant that comparable opera houses in Europe were getting.

At La Scala in Milan in two months' time, the heads of Western European and U.S. opera houses are due to consider how best to trim the cost of staging opera, and the possibility of international co-productions will no doubt be explored. In the meantime, the Royal Opera House faces a stern challenge in reconciling its cash needs with its refusal to jettison its standards.

Elsewhere throughout the arts, the English National Opera now has a forecast deficit of £260,000; the City of Birmingham Symphony Orchestra expects to lose £35,000; the Hallé says it will lose £59,000; and all other orchestras are in difficulty.

In turn, the Arts Council's music, literature and art panels have drastically trimmed their sails. The music panel has cut commissions of new works. The literature panel has cut awards to individual writers and the art panel has more or less abandoned a new improved award scheme. Mr. Alan Bowness, an art historian and member of the Council, says: "The continued existence of a body of painters and artists in this country is in danger."

Finally, every one of the hundred or so regional theatre companies supported by the Arts Council is in trouble. At Leicester the acting company has been cut from 32 to 20; at Crewe the theatre has reduced the number of weeks played from 30 to 21; and Salisbury has been forced to opt for "safe" plays with small casts and to slash advertising and touring.

At ground level, among the community theatre groups that the Council supports, few can visualise a future that extends much past January. A typical venture is the Belt & Braces Roadshow Company which is based in North London and at the moment has three shows on the road. Belt & Braces gets £26,000 from the Arts Council and earns the same again in production fees. It has 18 performers, most of whom earn about £25 a week. By January the company will be broke.

Ventures like Belt & Braces, the West London Theatre Workshop Recreation Ground and the Half Moon Theatre Company, which operates in a disused synagogue in London's Tower Hamlets, are ostensibly permanent companies, but if they stop work they will die and productions like the Half Moon's celebrated *George Davis Is Innocent OK*, which opened last week, to excellent reviews will simply disappear.

There is some hope that industrial sponsorship of the arts can be extended from its present limited base into something more meaningful.

Worryingly, the Arts Council believes that neither the Government nor the public yet fully realise the seriousness of the situation facing the arts. Until they wake up to it: "Fire, burn; and cauldron, bubble."

Letters to the Editor

Consultancy assistance

From the Managing Director, ICFC-Numas.

Sir,—The Government's announcement that it will make available to the clothing industry up to £20m. "to encourage *rationalisation and restructuring* and the improvement of productivity and efficiency" contains a refreshingly new category of assistance, which if extended to cover other manufacturing and service industries, could very quickly result in the productivity improvements which are needed to bring this country out of its present economic difficulties.

I refer to Category 1—Consultancy Assistance. "Grants at 50 per cent. of approved consultancy fees to companies or groups not employing more than 300 people in clothing manufacture, for the use of consultants to investigate problems and formulate proposals directed at improving productivity and efficiency in individual firms."

Although the Government has *contributed to the cost of small* firm consultancy in one or two pilot schemes in the past—and has ascertained that the cost has been recouped within twelve months of implementation—this is the first time that it has decided to offer such help to an entire industry. Is it too much to hope that subsidised consultancy assistance may soon be extended to cover *all* small and medium sized firms in the U.K. thereby bringing them in line with our competitor companies in Germany, Japan and the United States, where similar assistance has been provided by Governments *for* several years?

The 1972 census of production revealed 107,000 manufacturing establishments in the U.K. employing less than 500 people. At that time 32,000 had between 25 and 500 employees (the size where small firm consultancy can be most effective) and today, after the spate of failures and contractions, there are probably 30,000 establishments belonging to 22,500 firms.

Most of this country's big industrial companies rely heavily on the services, components, jigs and special tools produced by smaller firms. Quite apart from the quantitative contribution small firms make to the GNP, the qualitative effect they have is even more important because of their influence on big company performance (we've all heard the hiccup that comes from a motor manufacturer when he runs short of supplies!). Any improvement therefore in efficiency and productivity in *small and medium sized firms* will produce a gearing effect which must be felt right across U.K. industry and the economy as a whole.

If Government will only extend its consultancy subsidy scheme for the clothing industry to apply to all small manufacturing and service firms, the increase in their effectiveness would be considerable and the effect on our economy could be remarkable.

G. M. J. Richardson,
*15 St. Johns Road,
Harrow.*

Improvement in productivity

From The Managing Director, Systemshare

Sir,—In the issue of October 31 there are several references to two recent reports, one a Think Tank report on the British motor industry, and the other a NEDO analysis of British industrial problems. Both reports state that the solution to Britain's economic ailments is at least as much concerned with productivity and better utilisation of available resources, as it is with investment in new resources. This is simply a belated recognition of what several authorities (such as Professor T. A. J. Nicholson of the London Graduate School of Business Studies) have been saying for some time, namely that we could achieve a radical improvement in the performance, however measured, of British industry simply by making better use of the men and equipment currently available and without any need for a significant increase in investment levels.

The Government's political and economic policy is directed towards trying to conjure more investment out of thin air and there seems to be little emphasis on studying the problems of improving productivity. Yet the latter could be tackled now, at fairly low cost, while the former difficulty seems almost insoluble in the current economic climate. Surely the Government should put much more short-term emphasis on developing techniques for improving productivity; at least some of the means *of doing so* are currently available.

Perhaps the Government's unwillingness to emphasise productivity arises from a fear that an improvement in productivity must be accompanied by an even greater level of unemployment. To this the answer must be that a significant reduction in unemployment will arise only when there is a real growth in the economy, and that such growth must be solidly based on much more efficient and competitive manufacturing industry. Improvements in productivity are, in fact, an essential first step towards long-term improvements in the employment situation.

I. Christie.
Pilton Drive, Edinburgh.

Deployment of resources

From Mr. G. Hansard.

Sir,—Mr. A. W. Taylor (October 27) should refer again to my letter of October 17 if he is not yet convinced that high levels of fixed investment do not necessarily produce low levels of inventories and high sales. Having summarised my diagnosis correctly, he seeks to demolish it by citing what is indeed a "hypothetical case." According to my pilot study, this company is no world-beater, for it has to lock up £33 in "current assets" (net, I assume) in order to produce sales of £100. Yet some fool lends it enough money to double its fixed assets to £66, and it somehow continues to operate on £33 working capital, and doubles its sales. Either the management has taken my letter to heart, or a new one has taken over. In a curious way, I suspect that Mr. Taylor has accepted my prescription for raising corporate productivity, and now realises that there is a direct correlation between inventory turnover rate, corporate productivity, and profit. On the other hand, if Mr. Taylor's *own* company is in receipt of generous prepayments for work in progress, plus Mr. Healey's tax relief for stock appreciation, he may have less to worry about than the chief executives of most engineering companies.

The fact is that our engineering industry is getting only a pint out of a quart pot. Simply to increase the size of the pot is no answer, Mr. Taylor. Anyway, where is all the money to come from? The potential is already there: all we have to do is to release it.

The trouble, deep down, is that "productivity" means all things to all men. As Alice would have said: "It means what I want it to mean." To most, including Mr. Taylor and your newspaper, it means "value added per employee." This is an interesting ratio, indicating among other things the degree of substitution of machine for man; but it is not a fact. Value is added by the combination of man plus machine, and time, both direct and elapsed, is part of the equation. Indeed, Time is a factor of production, and we neglect it at our peril. Hence the definition in my first letter. The root problem is corporate productivity, of which labour is only one component.

Fortunately, NEDO is now lending weighty support to the notion that improving the utilisation of existing resources is of higher priority than investment in yet more. There is no more terrifying sight than that of a highly productive machine in the hands of an incompetent management. If ever the principle of Occam's razor applies, it is in regard to getting a quart out of our quart pot.

Gerald Hansard.
G. Hansard and Associates.
65, Linton Crescent, Leeds.

Tax on notional dividends

From Mr. N. Simon

Sir,—The juxtaposition of Margaret Grant's letter on VAT and that of my friend Edgar Palamountain on tax relief (October 30) gives rise to some interesting thoughts on the reasonableness of taxation in a Socialist State.

Mr. Palamountain is probably right that many of your readers will consider it reasonable that, if interest receivable on money lent attracts tax, then interest payable on money borrowed should repel it, but it would appear *equally* true that many who are not readers of the Financial Times would regard it as equally reasonable that income tax should be brought into line with VAT as exposed by Margaret Grant. This would imply that interest due but not paid by reason of the default of the debtor, should be charged tax as if it had been paid. From this, it is but a short step to arguing the reasonableness of the proposition that equity shareholders, whose shares are paying no dividends, should be charged tax on the notional dividends they might have received had they made a wiser investment.

Neil C. A. Simon.
Schaverien and Co.
18½, Sekforde Street, E.C.1.

VAT and house repairs

From Mr. R. Harris.

Sir,—Since the Government wishes to reduce unemployment in the building industry, I would suggest that the best thing that it could do would be to abolish VAT on building repairs, which are the more labour-intensive half of the industry.

Another advantage of abolishing VAT on repairs is that it would make it possible to exempt building materials from the tax. This would eliminate the vast amount of useless paperwork arising from the present system, under which the materials manufacturers have to pay tax and builders then have to claim it back again.

In any case, the VAT distinction between housing construction and housing repairs would seem to rest on a theoretical error. The theory is that construction is capital expenditure whereas housing repairs are consumer expenditure. It is true that a house is capital expenditure from the point of view of the man who buys it. From the point of view of the community, however, it makes no clearer contribution to productive capacity than does the same amount of money spent on cars or refrigerators. It should, therefore, be classified like them as a durable consumer good and not as capital expenditure. The case for exempting housing from VAT rests therefore not on it being capital expenditure but, as in the case of food, on it being a necessity of life.

Obviously this case is just as strong in the case of housing repairs as it is in the case of house-building. It is no use building a house if it is not subsequently kept fit for habitation.

Richard Harris.
Flat 6, 119, Haverstock Hill, N.W.3.

Control of note circulation

From Mr. L. Clark

Sir,—Mr. J. F. Richards states (November 1) that "no one has any responsibility (under Section 2 of the Currency and Bank Notes Act 1954) to see to the regulation of the volume of the Bank of England's note circulation." Sub. para. 1 of this section states, "The Bank of England shall issue bank notes up to the amount representing the gold coin and gold bullion . . . in the issue department of the Bank"—at present nil—"and shall in addition issue bank notes to the amount of the fiduciary note issue." Changes (= rises) in the fiduciary issue are communicated to Parliament by Treasury Minutes which under sub. para. 9 of section 2 of the Act, are laid before both Houses. Responsibility would therefore appear to lie with the Treasury and its political chiefs and with MPs in general. They are authorising, or failing to check, the printing of paper money which fuels this inflation of ours.

Laurence Clark.
*6, Temple Gardens,
Moor Park,
Rickmansworth, Herts.*

Community Land Bill

*From the Secretary,
National House-Building Council.*

Sir,—Mr. Trench asked (October 29) what arrangements are to be made to enable the new house buyer to benefit from the Community Land Bill.

This council is considering a scheme whereby the land gain *on each plot would be publicly* recorded, that is, the difference between what the local authority pays for land and the price at which it sells the right to build on that land. Some percentage of that gain, say 50 per cent., would be returned to the home buyer because it is he who makes the whole gain possible by his willingness to pay more for his house than the cost of building it. To prevent this causing a rise in house price, there could be a condition that the maximum returned to the buyer would be, say, 10 per cent. of house price.

A. P. Tapping.
58, Portland Place, W.1.

Independent Scotland

From Winifred Ewing, MP.

Sir,—I read with much interest the exclusive interview between Mr. Edward Short, Lord President of the Council and your Lobby Editor, Mr. John Bourne (October 30). May I make a comment? Mr. Short is reported to have said "If our proposals are accepted by Parliament, the SNP will then only be able to advocate separatism." So far as I am aware, and I write as a Scottish Nationalist Member of Parliament and a former vice-president of the Party, at no time has the Party advocated separatism; in none of its election manifestoes, at none of its Party conferences, and in none of the speeches of our Party leaders. It is somewhat difficult then to appreciate why my Party should defend itself against an alleged policy which has never ever been that of my Party.

What the Scottish National Party does look forward to is an independent Scotland standing on its own feet, taking its place in the world. Ever-growing numbers of Scots are now looking forward to the golden future that could be ours as a small, independent, prosperous and international, self-governing country loyal to the Crown. Is this what you call separatism?

Winifred Ewing.
House of Commons, S.W.1.

John Bourne writes: Mr. Short did not suggest at the interview that separatism was SNP policy but that in such circumstances SNP would be driven to adopt it.

Iceland's waters

From Mrs. A. Coleman.

Sir,—It was very heartening to see the report by William Dullforce regarding the negotiations on a new Fisheries Agreement with Iceland (October 30) and, above all, to note that he has highlighted the most important aspects and reasons which have compelled Iceland to extend her limits.

I feel it cannot be stressed *often enough, however,* that Iceland's decision to take this step is not motivated by choice but by sheer necessity, for the waters around the island can no longer sustain the catching capacity of the many factory and freezer trawlers of such large fishing nations as Russia, Japan, Germany, Britain, this being far greater than the capacity of the fish to breed. Consequently only under-sized fish are now being caught which will, and must, eventually lead to extinction. The Icelanders' claim (latest report from their Marine Research Institute) that British trawlers "are damaging the stocks by catching fish that are too small" is indeed correct. One only has to read magazines connected with the fishing industry to see frequent references to "catches of codlings," that is, baby fish. In this connection it should be noted that the oceans of the world are and have been systematically depleted and it is high time that the valuable fishing grounds around Iceland were preserved. I know that a number of leading scientists support this view.

Mr. Dullforce was also right to draw attention to the trend adopted at the latest UN Conference on the Law of the Sea; and no informed person at this stage should have any doubt that the 200-mile limits are now just round the corner. Unfortunately, however, when this does happen, Britain will not benefit very much—you will remember that we gave two-thirds of our rich (outer) fishing grounds away on January 1, 1973 (on joining the EEC), and however wide our fishing limits may be we shall have to share these waters with our partners of the EEC (please see the Fisheries Agreement—Common Fisheries Policy of the EEC). In view of this we should not really expect too much "fish and sympathy" from Iceland.

A. L. Coleman.
*84, Woodhurst Avenue,
Petts Wood, Orpington, Kent.*

To-day's Events

GENERAL

CBI employment policy committee meets, London.

OECD working party discusses balance of payments, Paris.

Blastfurnacemen's pay inquiry hearing opens, London.

President Sadat of Egypt continues official visit to U.S.

Sir Ralph Bateman, CBI president, and Lord Feather, former TUC general secretary, speak at conference on Resource Management To-day, Royal Lancaster Hotel, W.2.

Mr. C. Gordon Tether chairs meeting of Industrial Forum at which Mr. K. R. Cooper, managing director, Industrial Leasing and Finance, speaks on "A Plan to Defeat Inflation," Barrington House, Gresham Street, E.C.2, 12.30 p.m.

British trade mission headed by Lord Beswick, Minister of State for Industry, continues visit to Iran.

Mr. E. D. Rainbow, chairman, Institute of London Underwriters, on official visit to U.S., Australia, New Zealand and Hong Kong.

William Tyndale School inquiry resumes, County Hall, S.E.1.

PARLIAMENTARY BUSINESS

House of Commons: Motions on Northern Ireland (Emergency Provisions) Act 1973 (Amendment) Order 1975, followed by debate on self-employed.

House of Lords: Airports Authority Bill, third reading. Northern Ireland (Emergency Provisions) Act 1973 (Amendment) Order 1975. Community Land Bill, report stage.

OFFICIAL STATISTICS

Sterling gold and convertible currency holdings (October). Capital issues and redemptions (October).

COMPANY RESULTS

De La Rue (half-year). Mallinson (Wm.) and Denny Mott (half-year).

COMPANY MEETING

Gallenkamp (A.), Winchester House, E.C., 11.30.

SPORT

Boxing: British and Commonwealth heavyweight title, Richard Dunn (holder) v. Danny McAlinden. Vacant British middleweight title, Kevin Finnegan v. Alan Minter, Wembley.

COMPANY NEWS + COMMENT

C. H. Beazer marginally ahead at £1.6m.

IN THE second half of 1974-75 profits of C. H. Beazer (Holdings), developers and contractors, fell from £641,000 to £93,000, leaving the total for the year ended June 30 marginally ahead at £1.61m., compared with £1.57m.

The profit was struck after write-downs of £600,000, against £375,000, in respect of certain U.K. developments. The directors say they have reviewed the property portfolio and decided that the provision shown at the interim stage should be increased by £50,000 and is then fully adequate in current market conditions.

Taking into account the depressed background, trading continues to be satisfactory and the cash position remains strong, they report.

At the net attributable level profits emerged at £727,000, against £775,000—with earnings per 10p share being stated at 14.5p (15.2p).

The net total dividend is unchanged at 8p per share with a final of 4.5p. The final has been waived to the extent of 4.4p in respect of 2,923,798 shares amounting to £128,647 (£71,807).

	1974-75 £000	1973-74 £000
Turnover	8,571	8,290
Profit	2,205	1,946
Write-down	600	375
Profit before tax	1,605	1,571
Tax	[illegible]	812
Minority loss	1	1
Extra-ordinary debits	21	*15
Attributable	727	775
Dividends†	297	328

* Credits. † Including Shares in lieu of cash and excluding waivers.

● comment

C. H. Beazer has maintained its unbroken profits record through the upheavals of the last two years, and the 1974-75 total is slightly ahead after a larger development write-down. Over half the profits have come from the disposal of an office building in Brussels; the group is now more confident about sales and letting prospects on the Continent, where several schemes in Germany, Belgium and France are due for completion over the next 18 months. In the U.K., commercial development sales are still slow, but housebuilding, about a quarter of pre-tax profits last year, should now be improving following the expansion at the lower end of the market—up to £10,000 around Bristol and Bath. Overall, profits in 1975-76 may be little different from last year. Short-term liquidity has improved, which will allow the group to take advantage of new acquisitions, and with a yield of 10½ per cent. at 123p, the shares should maintain a strong relative share price performance.

INDEX TO COMPANY HIGHLIGHTS

Maynards expenditure programme

THE PRESENT uncertain economic state of the country makes it virtually impossible to forecast the future trend of sales and profits of confectioners, etc. Maynards says the chairman, Mr. H. P. Salmon, with any degree of certainty.

But the directors still believe the future looks good for the group and are planning a further capital investment programme of over £0.5m., although this must depend on the Government's success in reducing the high rate of inflation, he adds.

Despite having financed from resources the largest capital programme in any one year (£719,000) and despite inflation, the cash position, remains satisfactory. Net liquid funds at end June totalled £330,000 (£370,000).

While the sales of confectionery and tobacco continue to increase, the number of shops selling toys, newspapers and periodicals are being steadily extended.

During the first few months of the current year the hot summer curbed demand for confectionery, the effect of which was partially offset by increased sales of ice cream and minerals.

As reported on October 9 group pre-tax profit for the year to June 30, 1975 increased from £1,078,225 to £1,435,893 after exceptional debits of £100,664 (credits £60,000), and the dividend is 13.7688p (14.7735p) net per £1 share.

The directors propose to reconvert the Ordinary and Preference stock into shares, to subdivide the resulting Ordinary into shares of 25p and to make amendments in the Articles regarding voting and borrowing powers.

Meeting, Vale Road, Finsbury Park, N., Nov. 27, commencing 11 a.m.

Chairman's statement Page 19

Time Industries

Third-quarter 1975 net sales of Time Industries, of Chicago, decreased from $8.03m. to $7.82m., while net income advanced from $126,000 to $324,000, giving totals of $22.49m., against $24.42m. in reclassified, and $840,000, compared with $783,000 restated, respectively for the nine months to September 30, 1975.

Income per share for the nine months is shown at 63 (73) cents or 61 (69) cents assuming full dilution.

The directors say they feel that the balance of 1975 looks bright.

Operating results from all three product line groups improved in the third quarter with corrugated and paper mill products strong, although volume suffered as customer inventories remained high in businesses served by the flexible packaging group. Traditionally the last half of the year is considerably better than the first.

The Jefferson Smurfit Group yesterday purchased a further 30,000 shares, bringing its holding to approximately 48 per cent.

Burgess Products setback

SECOND half profits of Burgess Products Co. (Holdings) declined from £437,384 to £193,735 leaving the total for the year to August 2, 1975 down from £449,464 to £166,590.

The directors say the group—accoustical and electrical engineers—had a "successful" trading year with the exception of Burgess Industrial Silencing. This company experienced much greater than anticipated losses attributable mainly to large fixed price contracts delivered in the second half, and industrial unrest and low productivity in the first.

At halfway, when the group recorded a £27,145 loss, the directors said there were indications that Burgess Industrial Silencing, along with other companies in the group, would have an improved second half and results should equal, if not better those for the previous year.

Stated year-end earnings per 25p share are down from 6.4p to 3.1p. The dividend total is being kept at 3.3075p net with a final of 2.3275p (same)—payments amounting to £7,292 (nil) have been waived.

	1974-75 £	1973-74 £
Group turnover	14,369,737	10,426,214
Profit before tax	166,590	449,464
Taxation	9,985	116,417
Net profit	156,395	333,067
Attributable	139,264	323,734
Preference dividends	4,200	4,200
Ordinary dividends	130,408	188,868

● comment

Far from improving on last year's second half performance, as Burgess Products' interim statement suggested, second-half pre-tax profits have more than halved for a 63 per cent. drop overall. At the trading level, the problems have stemmed from Burgess Industrial Silencers as a result of fixed-price contracts taken on over a year ago, but they have been exacerbated by more than doubled interest charges (of over £400,000), associated with the group's £3m. expansion programme. Even after a nominal tax charge the total dividend is uncovered, for a yield of 18.7 per cent. at 29½p. The company says that its bank borrowing facilities—£3m. compared with net worth of just over £4m.—had not been exceeded at the year end. But with its traditional markets in silencers, power tools and micro switches under pressure, and fixed-price contracts still to run on the silencing side, the future trend of profits is under something of a cloud.

Washington Investment

First quarter (to September 30, 1975) gross income of Washington Investment decreased from £151,027 to £111,985. The figure for all the year to June 30, 1975 was £366,795.

Interest charges and expenses for the three months were £49,773 (£73,117) and tax takes £28,148 (£30,711) leaving a net revenue of £34,064 against £47,199.

Earnings per share are shown at 0.45p (0.62p), and net assets per share at 36.0p (29.1p).

Last September the company announced that discussions were taking place with Electrical and General Investment which might lead to a merger.

Similar profit at Wm. Low

FROM INCREASED turnover of £31.54m., compared with £23.15m., taxable profit of Wm. Low and Co., supermarket operators, was little changed at £1,008,002 for the year to September 6, 1975, against £1,017,564, after being up from £479,289 to £551,333 in the first half.

At the annual meeting last year Mr. A. M. Drysdale, chairman, said budgeted figures for 1974-75 indicated a further substantial increase in turnover and satisfactory progress in profit.

The year-end profit is struck after interest payable of £85,441, compared with interest receivable of £16,288, and a lower £11,823, against £70,531 gain on sale of assets.

Earnings per 20p share are shown to have advanced from 7.78p to 8.94p and the net dividend total is up from 4.4p to 4.695p, with a final of 3.195p.

● comment

After adjusting for asset disposals, Wm. Low shows a second-half profits decline of a tenth as the group bore the full effects of the jump in interest charges, £68,000 of which fell in the last half. However, Low had to face some large extraordinary items in the closing months, such as a transfer to the pension fund of £66,000 and the development costs associated with a new computer and warehouse extension. Nevertheless, interest charges are expected to continue to rise as further development takes place (two new stores and three freezer centres are planned so far this year) and overdraft facilities have been arranged, though stock continues to be financed by creditors. At the operating level margins could edge upwards after the 0.6 point drop to 3.4 per cent. last year, but higher interest will probably leave pre-tax margins all square. So projecting sales growth of at least a fifth points to pre-tax profits around £1.2m., while the yield of 5.9 per cent. at 126p is above the sector average.

Ellenroad ahead at halfway

On a turnover down from £2.58m. to £2.22m., pre-tax profit of doublers and spinners, Ellenroad Ring Mill, increased from £98,977 to £126,204 in the 25 weeks to September 27, 1975.

Demand for the company's products is much lower than for the corresponding period last year, with rapidly increasing costs making margins difficult to maintain, and this makes forecasting more hazardous than usual, the directors state.

But despite the difficulties they hope to conclude year with "a reasonable profit." Profit for the year to April 5, 1975 was £130,363.

As before the interim dividend is 0.5p net per 25p share. Last year's total was 1.8p.

	25 weeks 1975 £	1974 £
Turnover	2,220,189	2,578,672
Depreciation	46,423	49,149
Interest	26,417	62,377
Investment income	1,095	772
Pre-tax profit	126,204	98,977
Taxation	64,000	39,000
Net profit	62,204	59,977

Malayalam considering 0.35p interim

A PARTIAL remittance from India of the 1973-74 profits has been received by Malayalam Plantations and the directors are considering a 1975-76 interim dividend of 0.35p net—equal to the interim and only payment for 1974-75, which was paid from profits of £100,711 before tax.

In his annual statement, Mr. P. W. Harper, chairman, says that although tea prices eased in early 1975, the current improved level of prices seems likely to be maintained for the time being. But costs continue to escalate and it "would not serve any useful purpose" to attempt to forecast current year results.

Referring to Indian legislation necessitating the formation of a rupee subsidiary, Mr. Harper says the company's application for permission to hold fixed assets in India has been approved on a temporary basis but the further application for permission to continue trading is pending.

Most of the uneconomic low country tea has now been replaced by rubber and it is hoped to complete all this programme during the next few years. The areas of unselected rubber have also largely been replanted and the company aims to devote more attention to rejuvenation of the higher elevation tea areas. Following successful trials with cocoa on Koney estate it has been decided to pursue the extension of cocoa planting there on a commercial basis.

Harrisons and Crosfield owns 18.16 per cent. of the Ordinary. Meeting, 1 Great Tower St., EC, Nov. 27 at 11.30 a.m.

See Page 29

Peak year seen by Tysons

PROFIT, before tax, of construction engineers Tysons (Contractors) expanded from £226,434 to £413,257 in the first half of 1975 and, in the light of trading experience to date, the directors expect results for the year to exceed 1974's record £601,730.

Earnings for the first half are shown to be up from 2.27p to 4.09p per 10p share. Last year, a single dividend of 1.75p net was paid.

	Half year 1975 £	1974 £
Turnover	6,224,610	3,457,973
Pre-tax profit	413,257	226,434
Tax	201,500	112,900
Retained	204,757	113,534

● comment

Tysons' first-half profits have risen by 83 per cent. before tax, continuing the upsurge which began in the second six months of last year—sending the shares 6½p higher yesterday to 24p. This could owe something to the group's policy of profit-taking on long-term contracts which tends to make the profits pattern uneven, but it also reflects a fairly strong work load. Although new business may now be harder to find as local authorities tighten up on their spending programmes, the current level of work-in-hand is similar, in volume terms, to that of the corresponding period of 1974. The second six months will compare with a much more buoyant period than the first, so some easing in the upward trend seems certain. However, the group's recent growth record has been strong and liquidity has apparently been maintained at the same level as in the 1974 balance sheet, when net cash stood at around £830,000. So a maximum yield of 12.3 per cent., covered three times by last year's earnings, looks firmly based.

GA in United Arab Emirates

General Accident Fire and Life Assurance has commenced operations in the United Arab Emirates, trading in a wide range of non-life insurances. Representatives are the Shipping, Trading and Lighterage Company, Dubai, under the management of Mr. Yasin A. Ghafoor, who has had wide experience in the Middle East insurance markets.

This new association is a further indication of GA's growth policy for overseas business, which provides more than 60 per cent. of its total premium income.

Equity Income pays more

Revenue of Equity Income Trust declined from £288,044 to £273,782 during the year to August 31, 1975, after heavier tax of £152,654, against £133,393.

The final dividend is 4.805p net, giving a total of 7.15p, against 7.035p.

WINDING-UP ORDERS

Compulsory winding-up orders against 70 companies were made by Mr. Justice Oliver in the High Court yesterday.

Mr. Bill Capper, chairman of Capper-Neill, which is due to announce its interim results to-morrow.

Freddie Mansfield

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
C. H. Beazer	4.5	Jan. 5	4.5	8	8
Brycourt Investments	1.68	Dec. 19	1.68	1.68	1.68
Burgess Products	2.33	Dec. 12	2.33	3.31	3.31
Cent. Province Ceylon int.	0.41	—(a)	0.42	—	0.86
Ellenroad Ring Mill ...int.	0.5	Dec. 15	0.5	—	1.8
Equity Income	4.81	—	4.69	7.15	7.04
Farm Feed ...int.	0.65	Feb. 2	Nil	—	3.33
Wm. Low & Co.	3.2	Jan. 5	3	4.7	4.4

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Payable on receipt of funds from Sri Lanka.

Newman Tonks' strength

MR. M. L. B. WRIGHT, chairman of Newman-Tonks, says he is confident that the group is well placed to take full advantage of any upturn in trade when this occurs.

The group is "strong" and an important supplier to the architectural and builders' hardware industry, he adds.

The directors are constantly looking for further suitable acquisitions and are conscious of the fact that the group is, at the moment, largely committed to the building industry and must have more diversification to broaden its base.

An agreement has recently been signed with Vereinigte Baubeschlagfabriken Gretsch and Co., Stuttgart, which markets its products under the trade name of GEZE. This company is a leading European manufacturer of door closing devices, pivoting windows and sliding door gear and the agreement embraces the distribution of certain of Newman-Tonks product lines in selected markets in Europe, where GEZE is already well-established, together with the exchange of technical information and joint research and development.

As known group pre-tax profit decreased from £1.92m. to £1.51m. on the year to July 31, 1975 and the dividend is 2.95854p (2.77003p) per 25p share.

The Australian and South African subsidiaries both had a satisfactory year, despite the prevailing difficult trading conditions and they made a "useful" contribution to profits.

A geographical analysis of turnover and trading profit (in percentage) shows Africa 3.4 (3.1) and 6.6 (4.6); Australasia 4.9 (4.6) and 8.2 (5.8); U.K. companies 90.8 (90.7) and 85.5 (88.8); North America 0.9 (1.6) and 0.3 deficit (0.8 profit). The value of goods exported was £1.15m.

Meeting Birmingham, November 23, noon.

H. J. Baldwin

Three shareholders of H. J. Baldwin, which is controlled by Hartley Baird, are to put resolutions to the annual meeting on December 15 calling for changes in both the Board and the auditors. This is revealed in the latest report and accounts.

Mr. R. Briscoe is to move that the firm's current auditors, Messrs. Stanley Blythen and Co. not be reappointed as auditors. Mr. M. J. G. Moir, a well-known dissident shareholder of the parent company, Hartley Baird, is to move that (a) Messrs. Whinney Murray and Co. be appointed auditors to Baldwin and (b) that the directors be instructed to procure the appointment of the new auditors.

And, finally, Mr. Nicholas Travers is asking for the removal of Mr. Ellis Bor—also a director of Hartley Baird—from the Board of Baldwin.

Adequate orders at Raine

RESULTS for the current year at Raine Engineering Industries should not be disappointing and generally the strength of orders, though down on 12 months ago, is still at an adequate level, chairman Michael H. Taylor says in his annual review.

The directors are hoping that an increase in demand might become manifest in the spring of 1976, he adds.

As announced, record pre-tax profits of £565,000, compared with £305,000 previously, were achieved in the year to June 30, 1975. Treasury consent has been secured for an increase in the total net dividend from 0.480139p to 0.7475p per 10p share, and a one-for-four scrip issue, giving the company trustee status, is also proposed.

The steel and heavy engineering section was the star performer, boosting sales from £4.35m. to £7.95m. and profits from £255,000 to £507,000.

The light engineering and plating section showed a smaller increase, sales being £977,000 (£772,000) and profits £93,000 (£89,000). Insurance broking achieved sales of £16,000 (£9,000) and profits of £7,000 (£2,000).

Group exports more than trebled at £1.38m. and all geographical areas showed an increase. The largest market, Europe, rose from £220,000 to £408,000 and Asia and the Far East improved from £84,000 to £297,000.

Brycourt holds 1.68p

Net revenue of Brycourt Investments fell from £126,839 to £85,473 in the year ended September 30, 1975—after tax of £86,604 (£76,396)—and stated earnings per 50p share are down from 1.8p to 1.2p.

At the half-way stage—when net income reduced from £67,233 to £15,440 was reported—the directors explained that the first half bore the main burden of completion of two property developments, at Blackpool and Stevenage, with only a partial receipt of rent from the former accruing to income account.

This, they warned, would restrict the level of 1974-75 income, but they expected that the dividend would be maintained.

In the event the dividend is held at 1.675p net—equal to 2.5p gross.

Net asset value per share is shown at 72.3p compared with 45.9p.

Dawnay Day now more confident

THE CURRENT year will not be an easy one for the Dawnay Day Group, says chairman Mr. Peter Parker. Revenue remains difficult to earn in many areas of operation, and this will be particularly so in the first half.

The chairman hopes, however, that results will be no longer materially affected by exceptional provisions, and the decision to recommend a dividend for 1974-75 is a sign of "our regaining confidence."

The group has already accepted major changes as it adapts to very different conditions. A much greater proportion of assets and potential earning capacity is now represented by Dawnay Day Industries and the Target Group.

The chairman says that new industrial investment is bound to be restricted while conditions persist which make it difficult to earn an acceptable return from existing assets, but the group is anxious to deploy further its practical experience in this field. Target represents a significant and growing force in the savings industry, and if current progress continues within a year or two its subsidiary Target Life should be able to make a significant contribution to group profits.

As reported there was a group pre-tax loss of £1.73m. in the year ended June 30, 1975 (£347,000 deficit), after provisions against banking advances of £1.44m. (£1.05m.). The dividend is 0.5p net per 25p share (1.21p).

The chairman says the overriding consideration was the conservation of group capital assets. Early in the year the group embarked on a policy of realising the major proportion of its investment portfolio, which greatly increased flexibility and enabled a substantial and advantageous programme of de-gearing.

The group balance sheet shows that including net unrealised appreciation of £730,000 (£672,000), net tangible assets amounted to £11.36m. (£13.21m.).

In the past two years the group has benefited from a £10m. unsecured borrowing facility from the Prudential Assurance Company (which holds 19½ per cent. of the equity). This facility, always materially unused, continues to be available.

Commenting on the property interests the chairman says it became evident that the changing conditions would lead to a material loss by Marshall Securities, which is being liquidated. Certain of its properties were realised and the rest acquired by group subsidiaries.

Apart from those held by trading subsidiaries, group properties now comprise those taken from MS and the reduced portfolio of the 60 per cent. subsidiary Silchester Estates.

The group's major remaining commitment is its secured loan to Compass Securities, which in June became a subsidiary of the Guardian Royal Exchange Group. The chairman believes the remaining property interests are sound and he views them "without false optimism but with some confidence."

Meeting, 1 London Wall, EC., November 26, at 3 p.m.

Maple Macowards

Maple Macowards, the retailing and property group, is to pass the half-yearly dividend on its 6½ per cent. Preference shares because of the financial situation of the company. This relates to a technical position which has arisen because substantial write-downs in property values have produced an attributable loss and there are, legally insufficient distributable profits to make the payment which amounts to £5,500.

The last statement at the preliminary stage referred to a "heartening improvement" in the trading position. However, the interim statement, which should be published within the next week, is expected to show further losses at pre-tax level, because of the continuing high level of interest payments on borrowings relating to the property side.

Property sales, amounting to between £1-2m. should help relieve the situation, though it is anticipated that until the group's commitment to its Tottenham Court Development is discharged, Maple Macowards will continue to operate at a trading profit but post-interest loss.

ISSUE NEWS

GRAND MET. 90.8%

Grand Metropolitan's rights issue to raise £27m. on the basis of one-for-seven at par (50p) has been taken up as to 51.4m. shares or 90.8 per cent. of the issue. Shares not taken up have been sold and the net proceeds will be issued to entitled shareholders.

PALACE (TORQUAY)

The Palace (Torquay) has been granted a quotation for £100,000 nominal of 7 per cent. First Mortgage Debenture Stock 1975-82. This stock has been issued to former holders of 5 per cent. £1 Preference shares.

DEBENHAMS RIGHTS

The rights issue document is published by Debenhams to-day in connection with its issue of 30,029,908 Ordinary shares on the basis of one-for-four at 55p per share.

Proceeds will be used to reduce group short-term borrowings. Total indebtedness at October 11, 1975, stood at £78.9m. of which overdrafts accounted for £28.9m. and other unsecured borrowings £27m.

Debenhams has already forecast pre-tax profits for the year to January 31, 1976, of not less than £14.4m. (£4.46m.).

NORTHERN FOODS

Northern Foods rights issue to raise £6.8m. on the basis of one-for-two at par (25p) has been accepted as to 94.6 per cent. of the issue. The balance have been sold at a premium and the proceeds will be distributed to entitled shareholders.

DUNBEE-COMBEX CONVERSIONS

A total of £1,161,627 of Dunbee-Combex-Marx's 7 per cent. Convertible Unsecured Loan stock has been put forward for conversion into Ordinary shares. The company will exercise its right to convert into Ordinary shares all the outstanding holdings of the Loan Stock. It is expected that documents will be posted to the remaining stockholders before November 25.

RESULTS AND ACCOUNTS IN BRIEF

BOGOD-PELEPAH—Results year to March 31, 1975, and scrip issue proposal already known. Group turnover £2.87m. (£2.5m.). Fixed assets £0.34m. (£0.25m.). Net current assets £0.36m. (£0.2m.). Current year trading to date has been at a similar level to last year. Providing trading conditions so far experienced continue, a similar result can be expected, says chairman. Meeting, High Holborn House, W.C., November 27, noon.

BRITISH CAR AUCTION GROUP—Financial year is to be changed from May 31 to July 31 each year. This means that next accounts will be for 14 months ending July 31, 1976. It is intended that dividend payment dates remain as at present.

PHARAOH GANE (subsidiary of United City Merchants)—Dividend year ended June 30, 1975 is 20 per cent. (22.5 per cent.). Turnover £37.52m. (£32.18m.). Profit £327,422 (£447,439) before tax £177,322 (£240,001). Minorities take £29,532 (£20,965).

STIMPSON PERKINS (subsidiary of United City Merchants)—Dividend year ended June 30, 1975 is 12p (7p). Turnover £5.38m. (£3.25m.). Profit £384,051 (£254,797) before tax £200,015 (£121,501).

ANGLO-TRANSVAAL INDUSTRIES—Results, year to June 30, 1975, already known. Group fixed assets R78.39m. (R71.09m.). Net current assets R70.22m. (R46.7m.). Distributable reserves R40.09m. (R31.7m.). Meeting, Johannesburg, November 20.

MANCHESTER AND LONDON INVESTMENT TRUST—Interim dividend 0.4575p (0.5025p) equivalent 1.5 per cent gross (same). Pre-tax revenue for first half 1975 £9,503 (£7,601) including investment income £12,465 (£13,476) deposit interest £143 (£251) and dividends received from subsidiary nil (£215), but after loan and bank interest and management expenses £5,123 (£6,260). Tax nil (same). Net asset value per 50p share 22.86p at June 30, 1975.

BURMA MINES—Gross revenue six months to June 30, 1975, £18,010 (£12,144). Expenses £11,056 (£8,310), tax £2,620 (£2,098), net revenue £4,332 (£3,336). Investments value £713,305 (£602,237), 100 per cent. of available investment currency premium £275,533 (£72,788). Net asset value per 17.5p share 7.3p (3.3p). Interim dividend 0.386p already paid cost £14,825. Second annual compensation £37,500 received from Burma Government in September. Davis Investments (Jersey) owns 12.7 per cent. of capital.

DUCKWARI TEA AND RUBBER—Results for 1974, reported September 5. Fixed assets £95,219 (£95,170). Current assets £177,654 (£154,383), liabilities £67,787 (£82,154). Meeting, Southend on Sea on November 19 at 2.30 p.m.

GRANT BROS. (department stores)—Int. 1.32p net (same). Turnover £2,676,121 (£2,513,321) for 26 weeks to July 26, 1975. Profit £13,467 (£28,882) after tax £14,590 (£29,592). Earnings per share 1.15p (2.22p).

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY—Results for the year to June 30, 1975, already known. Investments listed R32.12m. (R23.03m.), market value R106.98m. (R63.48m.). Unlisted book value R19.54m. (R10.8m.). Property, plant and equipment R74.26m. (R74.5m.). Net current assets R74.55m. (R34.09m.). Meeting, Johannesburg, November 21.

EAST AND WEST INVESTMENT TRUST—Interim dividend 0.39p net (same) equal to 0.59p gross (0.57p). Stated earnings per 25p share 0.64p (0.6p). Investment income £116,859 for six months to September 30, 1975 (£96,151). Bank interest receivable £7,438 (£42,459). Underwriting commission £2,232 (£102). Bank interest payable £5,449 (£3,839). Interest on Convertible Unsecured Loan Stock £20,133 (£5,402). Expenses £13,336 (£8,808). Overseas, corporation and imputed taxes £34,477 (£35,525). Net revenue £58,214 (£54,081). Cost of interim dividend £54,481 (£54,481). Directors say first half revenue is not comparable as assets acquired by increase in the number of shares in issue from 4m. to 9.07m. during the earlier period were employed for only part of that period. The effect was largely offset by the interest received on the large amounts on deposit during 1974. Investments at valuation including dollar premium 34½ per cent. (72½ per cent.) at September 30, 1975 £4.4m. (£3.34m. at March 31, 1975). Net current liabilities (assets) £101,016 (£367,490). Less 7½ per cent. Convertible Unsecured Loan Stock 1991/6 (US$1.08m.) £528,634 (£449,345). Net asset value per share 41.6p (35.0p).

HADLEY FASHIONS AND TEXTILES—Results year to February 28, 1975 and observations on prospects reported August 19. Group fixed assets £204,050 (£198,778). Net current assets £384,228 (£246,338)—overdraft £464,646 (£303,005), stocks £822,447 (£640,948). Meeting Winchester House, E.C., November 27, noon.

LESBROOK (makers of pressings and assemblies)—Results year ended March 31, 1975 reported September 29. Fixed assets £0.36m. (£0.38m.), current assets £0.71m. (£0.38m.), current liabilities £0.46m. (same). Steps being taken to increase order books of components and assemblies in other fields of industry while executing orders on hand with the greatest possible economy. Meeting, Birmingham, November 21, at 12.30 p.m.

MACALLAN-GLENLIVET (malt whisky distillers)—Group fixed assets £2,240,864. Current assets £1,838,163 including stock £1,155,757. Current liabilities £1,190,149 including overdrafts £818,490. Chairman says uncertainty of present economic climate does not enable directors to make meaningful forecast for current year. Meeting Craigellachie, November 21, at 11.30 a.m.

هكتر امن الامل

Stothert & Pitt order book strong

RE-AFFIRMING HIS earlier forecast of a significant improvement in the current year's results, Mr. S. Wainwright, chairman of Stothert and Pitt, tells members that this increase is necessary to finance expected growth in turnover, and to enable the modernisation and re-equipment programme to continue.

During 1974-75 the group's most notable achievement was a £15m. order—the largest ever—for the supply of 58 cranes to Saudi Arabia. This contract will dominate the crane and deck machinery group for three years and, particularly in the first year, will require a major effort on cash flow control, says the chairman.

Of total orders on hand at the end of June of £23m., some £19½m. was represented by orders for cranes and deck machinery.

Increased stocks, the financing of large contracts, in addition to the fall in the value of money, has resulted in an increase in the overdraft—up from £0.74m. at June 28, 1974 to £3.03m. at October 10, 1975.

It is proposed to double the group's borrowing limit from £5.07m. to £10.15m. The chairman explains that while existing limits are not for the present in danger of being reached, the forward order book is strong and he therefore anticipates a high level of business being maintained.

Due also to the group's programmes of capital expenditure and asset utilisation, and to the effects of inflation, requirements of funds have become much greater.

As reported group pre-tax profits fell from £810,113 to £380,912 in the year ended June 28, 1975; and the dividend is 7.86p (8.13p) net.

The directors estimate that the current market value of land and buildings is around £1m. above the net book value of £1.3m.

Meeting Bath, November 24 at noon.

Costs hit Consd. Plantations

MR. K. N. EALES, chairman of Consolidated Plantations, tells members that higher costs and production restrictions, now being borne, make it difficult to foresee how the record result of 1974-75 can be repeated in the current year.

The production pattern of recent years—expansion of oil palm crop at the expense of rubber—will continue, and in the year the group expects to harvest 410,000 tons of fresh fruit bunches, a modest increase over 1974-75.

For rubber, however, the budget of 58m. lbs shows a reduction of 11 per cent. and reflects the continuing restrictions under the price stabilisation scheme as well as the planned downtrend in production, says the chairman.

Revenue from cocoa will start to accrue in the current year and this crop should become a "small but welcome contributor to profits over the next few years."

As reported September 30 group pre-tax profit improved to $63.28m. in the year ended June 30, 1975, compared with $58.27m. in the previous 15 months. The dividend is 50 per cent. (55 per cent.).

The chairman describes the result as "highly satisfactory." It was largely due to the sharply higher prices received for oil palm produce although the 19 per cent. increase in production of FFB played a major part. Profits from rubber were disappointing.

In 1974-75 the capital expenditure amounted to $6,188,000. This is projected to increase during the next few years with major allocations for the provision of new housing for employees and processing facilities for palm oil. Adequate funds are being reserved for these programmes, says Mr. Eales.

At October 1 Sime Darby held or was beneficially interested in 65.1 per cent. of the capital. Meeting Kuala Lumpur, November 12.

Ductile preparing for upturn

THE order books at various companies at Ductile Steels do not seem to be deteriorating further and in one or two instances they have shown signs of "some slight improvement," states Mr. R. Sidaway, chairman in his annual statement.

This leads him to hope that the recession may have reached its lowest point. However, the chairman cannot see any real improvement in the economy until inflation is reduced.

"In the meantime we have new products in the pipeline and we are devoting much effort and capital to ensure that we are fully prepared to take advantage of the upsurge when it comes," he tells holders.

Over the past five years the company has spent £4.5m. on new plant and buildings and the recession has not been allowed to interfere with future plans. In developments planned for completion and production during 1976-77 more than £3m. will be invested.

As known, profit before tax for the 52 weeks ended June 28, 1975, declined from £4.68m. to £3.78m. Dividends are up from 2.693p to 3.041p net.

According to Mr. Sidaway, during this period the company experienced the quickest and most severe recession in trade that can be remembered. Most companies were working at only 70 per cent. of normal capacity.

Meeting, Willenhall, November 27 at 3 p.m.

Industrial & General Trust

REVENUE FOR the half year to September 30, 1975, of the Industrial and General Trust amounted to £3.68m. against £3.64m. subject to increased interest charges of £1.15m., against £1.05m. Gross revenue for the year to March 31, 1975, was £8.59m.

Investments were valued at £126.43m. (£107.41m. at March 31, 1975) and net current assets were £0.97m. (£4.74m.). Net asset value per 25p share stood at 48.8p (42.6p) including full investment premium equal to 5.9p (6.7p).

	Half year 1975 £	1974 £
Franked income	2,044,738	1,843,486
Unfranked*	1,615,630	1,800,604
Total revenue	3,660,366	3,643,470
Admin/expenses	145,163	128,349
Deb. and loan	1,135,455	1,045,138
Taxation†	889,367	971,262
Preference div.	580	580
Available Ord.	1,489,871	1,505,941
Interim dividend	856,800	856,800
Balance	633,071	649,141

* Including investment income £1,356,800 (£1,415,817) and interest on short-term deposits £255,208 (£331,427). † Including £708,061 (£599,488) imputed or franked income.

An unchanged interim dividend of 0.42p has already been declared. Last year's total was 1.14p.

BRITTAINS

Holders of the 7½ per cent. convertible unsecured loan stock 1979-81 of Brittains have approved the resolution modifying the trust deeds constituting the stock. With effect from yesterday, the interest rate on the stock has been increased to 7¾ per cent.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	160	120	Corn Exchange	120	......	b1.62	2.5	1.6	[illegible]
‡83	F.P.	7/11	116	69	Standard G'd Mini'g 20c	84pm	−2	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	21/8	95	80	Adwest Grp. 10¼% Cnv. 95/2000	93	......
£99¼	£10	30/1	10	9¼	Bristol (City of) 13¾% Deb. Stk. 1981	9⅝	+⅛
A	F.P.	17/10	99	27½	Bristol Water 8% Red Pref 1980	98½	......
£100	F.P.	—	100½	98	CSR 8½% Notes 1980	99½	......
£98½	F.P.	—	101½	99¼	City of Liverpool 13¼% Stk. 1981	99¼	......
£99	F.P.	5/9	102½	98	Clayton Dewandre 16% Deb. 90/95	101½	......
£99½	£30	11/2	30¼	29½	Coventry (City of) 13½% Red. Stck. 1980	29½	+¼
£98½	£45	5/12	46¼	44½	Derby Borough Council 13½% Stk. 1982	45¼	......
‡£1	F.P.	9/9	100½p	95p	Fodens 10% Unv. Red Cum Pref	95p	......
£100	F.P.	15/10	138½	113	Haslemere Est. 9½% '90-5	122	−1
£100	F.P.	26/10	111	102	Hoechst 10% Unar. Ln. 1990	111	+1
£100	£50	9/1	51½	49⅞	Islington 13½% Red. Stk. 1980	50⅝	......
£100	£50	9/1	48¾	47½	Do. 14½% Red. Stk. 1985/6	47¾	+¼
‡‡	F.P.	—	111	94p	Johnson&Firth Brown 11.05%Cm. Conv.Pri	111p	......
‡£100	£40	22/8	69½	40½	Land Secs 10% Conv. 93/6	60	−1
††£98	F.P.	28/11	99½	98¾	Lee Valley Water 9% Red. Pref. 1980	99½	+½
$US100	F.P.	—	100	98½	Midland Bank Float Cap Notes '82	100	+1½
£99	F.P.	26/9	101¼	97	Newcastle & Gate 9% Red. Prf. 1980	99	......
$C100	F.P.	—	98	98	Noranda 9¾% Notes 1980	$C.98	......
$US100	F.P.	—	98	98	Do.	$US98	......
£98	£25	23/1	27½	26	Norcros 15¼% Deb. 1990/95	26	......
‡50p	Nil	—	¼p	¼p	Single 10% Cum. Conv. Pref	¼pm	......
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1990	113	−4
‡‡	F.P.	29/8	121½	90¼	Whitbread 11½ Conv. 1990	118½	−½
£98	F.P.	31/10	99½	98¼	York Waterworks 9% Red. Pref. 1980	99	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	1975 High	1975 Low	Stock	Closing Price p	+ or −
20	Nil	—	—	15½	13	Amal. Distilled Products	13pm	−2
25	F.P.	28/10	25/11	71	62	Batavck & Wilcox	68	......
105	Nil	—	—	31	21	Cape Inds.	28pm	−1
25p	F.P.	6/10	14/11	60	49	European Ferries	60	+3½
50	F.P.	30/10	28/11	69½	60	Grand Met. Hotels	65	......
260	F.P.	28/10	12/12	375	330	I.C. Gas	367	−3
20p	Nil	—	—	97	95	Minet Holdings	95pm	......
41	F.P.	29/8	14/11	71	60½	Norcros	71	−1½
55	F.P.	30/10	9/12	69	59	Northern Foods	67	......
25p	F.P.	3/11	3/12	29¾	25	Peacock Sasini	25	−2
10p	Nil	—	—	27	23	Raybeck	27pm	......
280p	F.P.	17/10	14/11	312	280	Royal Insurance	308	......
50p	Nil	—	—	17¼	10½	Weir Group	17¼pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ⇒ Issued by tender. ☆ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

The Lornex copper-molybdenum mine's ore stockpile and concentrator plant in British Columbia.

MINING NEWS

Rio Algom's $26m. faith in Lornex copper

BY KENNETH MARSTON

UNDAUNTED by the world recession which has halved its current earnings Rio Algom, the Rio Tinto-Zinc group's 51 per cent.-owned Canadian arm, is making a cash bid of $26.4m. (£12.5m.) for the remainder of the shares which it does not already own in the suffering Lornex copper-molybdenum mine in British Columbia.

The bid, of $8 (£3.78) per share, is wide open in the sense that Rio Algom will give this price for all Lornex shares that are offered while, at the same time, it has no rights of compulsory acquisition. The offer period is of 21 days subject to extension—it is intended to post the relevant circular to shareholders on November 7—but if the current Canadian postal strike prevents the circular being posted by November 28, Rio Algom reserves the right to reconsider proceeding with the offer.

Rio Algom currently holds 59.8 per cent. of Lornex, the major minority holder being Yukon Consolidated with 20 per cent. Lornex is a young mine with a good long-term potential, but it is having to live with punitive taxation in the shape of British Columbia's royalty impost which is based on metal prices alone and which does not allow for the costs of extraction.

At present, low metal prices have mitigated the size of this impost but it remains a burden and, while Lornex operating profits for the past nine months to September 30 have dwindled to $11.4m. from $43.1m. in the same period of last year, net earnings after taxes and interest payments have slumped to a mere $0.6m. compared with $23.1m. last time. Meanwhile, Lornex has cut its production of copper in line with the fall in demand.

This has been also reflected in nine-month net earnings of Rio Algom which amount to $21m. against $42m. in the same period of 1974, earnings per share being down to $1.82 against $3.39. Rio Algom points out that the fall in copper prices, together with the lower output of Lornex and the closure in June of the Mines de Poirier copper mine, has far more than offset an increase in revenue from the group's uranium operations.

The moral of this story appears to be that good mines last longer than short-sighted politicians and temporary setbacks in the prices of metals in an expanding world. In London yesterday, Rio Algom were £22⅝ while Lornex were a rather nominal 620p. Yukon Consolidated closed at 54p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TODAY

Interims:—Averys, Birmingham Mint, De La Rue, Electrocomponents, F. C. Finance, William Mallinson and Denny Mott, More O'Ferrall, Ocean Wilsons, Peerage of Birmingham, Polymark International, Weeks Associates.

Finals:—Cedar Investment Trust, Scottish National Trust, Silverthorne, Unochrome International.

FUTURE DATES

Interims:—	
Acrow (Engineers)	Nov. 18
Courtaulds	Nov. 13
Davies and Newman	Nov. 11
English and Intnl. Trust	Nov. 5
Frith (W.G.)	Nov. 5
Hicking Pentecost	Nov. 27
Odex Racasan	Nov. 28
Panto (P.)	Nov. 19
Photax (London)	Nov. 7
Pork Farms	Nov. 13
Scottish Heritable Trust	Nov. 5
Whiteley (B.S. and W.)	Nov. 6
Witan Investment	Nov. 20
Young and Co's Brewery	Nov. 13
Finals:—	
Australia and New Zealand Bnkg.	Dec. 2
Batu Matang Rubber Plants. ('22)	Nov. 6
Fundinvest	Nov. 6
Guinness (Arthur)	Dec. 11
Herman Smith	Nov. 7
Horrburger Brooks	Nov. 6
House of Sears	Nov. 11
Lister and Co.	Nov. 7
Patani Para Plantations	Nov. 6
Pearce (C.H.) and Sons (Contns.)	Nov. 6
Sandhurst Marketing	Nov. 11
Westward Television	Nov. 19
Whitehouse (G) Engineering	Nov. 6

PARTNER SOUGHT FOR HAIL CREEK

A new partner is being sought to take the place of Western Mining in the big Hail Creek coking coal project near Mackay in Queensland. Earlier this year the company, which held a 5 per cent. stake in the Australian venture, decided not to acquire its option on a further 20 per cent. and then withdrew altogether.

The remaining partners are AAR (Coal), IOL Coal, Marubeni, and Sumitomo Shoji Kaisha. Negotiations are now going on with possible new participants, some of which are partly foreign-owned. Thus any deal would be subject to Australian Government approval.

Earlier this year it was announced that the Hail Creek partners had signed a basic agreement with Japanese steel mills to supply the latter with 66m. tonnes of coking coal over 15 years starting in the third quarter of 1978.

'New' Brinco's early days

A NET LOSS before extraordinary items for the nine months to September 30 of $C1.17m., compared with net earnings of $5.17m. for the same period of last year is reported by Brinco, the 32.8 per cent.-owned Canadian subsidiary of the Rio Tinto-Zinc group.

Brinco, it will be recalled, last year sold its stake in the Churchill Falls hydro-electric project to the Newfoundland Government for $160m. A subsequently proposed merger between Brinco and Rio Algom was called off "owing to market conditions."

So now Brinco must carve out a new career. Its revenue is drawn from interest on short-term deposits and the investment in Coseka Resources. Expenditure is mainly on exploration.

Future hopes are pinned on the Abitibi asbestos project which, subject to feasibility studies, could be owned as to some 65 per cent. More exciting, but longer term, possibilities are contained in the mineral potential of Brinco's big exploration areas in Labrador and Quebec.

Shangani caution

THE PRODUCTIVE start-up of Johannesburg Consolidated's new Shangani nickel operation in Rhodesia was hardly given a splendid near-term accolade by the chairman Mr. H. Dalton-Brown in the annual report.

His review of the world nickel scene understandably reflected the over-supply situation therein and put forward the theory that a major improvement appeared unlikely before the latter half of next year.

The recent Rhodesian dollar devaluation would enhance Shangani's profitability but both capital and working costs are escalating at an unprecedented rate. Smelting of concentrates is due to start this month with refining in January and sales of refined products in May. Overall profitability is expected from 1977.

The most recent estimate of ore reserves is open-pit 3.9m. tonnes of 0.72 per cent. nickel, underground 19.3m. tonnes of 0.71 per cent. giving an overall total of 23.2m. tonnes of 0.71 per cent.

ROUND-UP

Selection Trust's Australian offshoot Selcast Exploration made a net loss of $0.99m. in the six months to September 30 when the disappointing performance of its Spargoville nickel operation was put down to the problems normally encountered during initial production build-up which were aggravated by difficulties in establishing a stable skilled work force. In London yesterday Selcast were quoted at 28p.

* * *

As indicated in Mining Notebook yesterday, there is bound to be some hard bargaining between Australia's major iron ore producers before the next round of price increases with the Japanese steel consortium buyers is finally agreed. Meanwhile Hamersley and Mt. Newman, while reckoning that they have a strong case for raising prices, consider that the previously reported 80 per cent. demand represents only what is described as an "opening negotiating stance."

* * *

In the September quarter the Consolidated Gold Fields group's American Azcon operation earned $1.6m., only 44 per cent. of that for the same period of last year. The reduction was caused by a fall in sales from $53m. to $38m. resulting from a much reduced demand for steel and lower prices for many steel products.

* * *

Estimated pre-tax profit of Pengkalen from its Malaysian tin operation in the year to September 30 is £397,000, compared with £317,000 in 1973-74. Dividends so far declared total 4.9p. Gopeng's figure of £1.96m. is down from £2.93m. Dividends to date are 8.875p. The latter company says that it intends to be fully associated with the Malaysian Government's new economic policy. Appropriate steps to this end are under active consideration it is stated.

BIDS AND DEALS

U.S. offer 'inadequate' says Burmah

BY STEWART FLEMING IN LONDON AND GUY DE JONQUIERES IN NEW YORK

BURMAH OIL has quickly decided that the offer it received on Thursday from the U.S. R. J. Reynolds Industries for its American oil and gas interests is inadequate.

Mr. Alastair Down, Burmah's chairman, announced yesterday that after examining the Reynolds offer for its main U.S. assets Burmah was "declining the invitation to negotiate."

Significantly, Mr. Down added that the Bank of England has been "kept informed" of its decision, that Burmah expects to receive offers from other interested parties, and that the company is negotiating with the Bank of England an extension of the Bank's guarantee of dollar borrowings. The guarantee is due to expire on December 31, 1975.

Burmah is unwilling to go into any details about the R. J. Reynolds offer. In particular, it will not disclose the price apparently because of its reluctance to put a minimum value of the U.S. assets for sale.

Sources close to the American company argue that Reynolds believes its offer to be very substantial, even for a company of its size (Reynolds had sales revenue of $4.5bn. in 1975) and that it would enable Burmah to repay most, or all, of its debt (estimated at some $550m.) and perhaps even to emerge with some cash in hand as well.

Reynolds clearly believes that Burmah has been led into placing an unrealistically high value on its U.S. properties—Burmah seems to be thinking in terms of $700m.—in the light of current uncertainties facing the U.S. energy industry, in particular the outlook for domestic crude oil prices.

Thus Reynolds seems to believe that Burmah may have some difficulty finding a higher bidder, at least in the foreseeable future.

It is pointed out that Burmah's study of its U.S. assets by its U.S. financial advisers—the Kuhn Loeb and Morgan Stanley investment banks—was conducted about nine months ago, and that changing conditions in the American oil industry may have altered some of the assumptions.

Significantly, however, neither Reynolds nor Burmah appears to have ruled out further discussions on any new offer the U.S. company might make, although Reynolds is not, it seems, contemplating another approach at present.

Burmah is evidently aware of the need to maintain a delicate balance between ekeping as strong a negotiating position as possible and not overplaying its hand. Yesterday's announcement that it is re-negotiating its Bank of England gurantees seems designed to emphasise to prospective purchasers of its U.S. assets that Burmah will not be forced to sell this year because the guarantees would run out.

FIRST NATIONAL SELLS ITS STAKE IN ROYCO

Royco Group announces that on October 31, 1975, First National Developments, a wholly owned subsidary of First National Finance Corporation, sold its holding of 4,333,336 Ordinary shares in Royco representing 21.7 per cent. of the share capital.

The shares have been acquired by several institutions and Royco has been advised that no one investor has acquired more than 10 per cent. of the capital.

ANGLO-THAI BID UNCONDITIONAL

The revised offers on behalf of Inchcape and Co. for the share capital of Anglo-Thai Corporation not already controlled have become unconditional in all respects and remain open until further notice.

Acceptances have been received in respect of 17.3m. Ordinary and 96,554 Preference shares which, with the 1.34m. Ordinary and 1,000 Preference controlled by Inchcape prior to the offers, represent 91.29 per cent. of the Ordinary and 97.55 per cent. of the Preference in issue and confer on Inchcape 93.17 per cent. of votes that may be exercised at general meetings of Anglo-Thai.

The cash offer closed on October 31—acceptances of this were received in respect of 4,275m. of the Ordinary shares in Inchcape to be allotted to holders of 9.29m. Ordinary in Anglo-Thai. Inchcape intends, in due course, to acquire compulsorily the balance of the shares in Anglo-Thai.

It was also announced that a document containing details of a proposal to be submitted to holders of the 8¾ per cent. Convertible Unsecured Loan stock 1987-92 of Anglo-Thai is to be despatched to-day. Under the proposal holders of £100 of stock will be entitled to 32.8 Ordinary shares in Inchcape and a terminal interest payment of £3.44 less tax to November 26.

In addition, underwriting has been completed whereby Baring Brothers and Co., has arranged the purchase for cash at 285p per share, free of all expenses, of all or any of the Ordinary shares in Inchcape to which stockholders will become entitled under the proposal, upon its becoming effective. Brokers to the underwriting are Hoare and Co. Govett and Cazenove and Co.

The £787,300 nominal of stock not owned by St. Mary Axe Securities, a wholly owned subsidiary of Inchcape, will be cancelled. St. Mary Axe will retain its holding of £424,611 nominal of stock for the time being; upon Anglo-Thai becoming a wholly owned subsidiary it is Inchcape's intention the outstanding stock will be cancelled.

CUNNINGHAM & WALSH STAKE IN GEERS GROSS

Cunningham and Walsh Advertising has purchased 10 per cent. of the shares of Geers Gross on the Stock Market. The purchase was made to formalise a working relationship which has existed between the agencies for some time. However, the shares came entirely from outside shareholders—no director or employee of Geers Gross has sold any shares.

Cunningham, which has never had any affiliation outside the U.S., now requires a U.K. home for some of its multi-national clients, says Geers Gross chairman Robert Gross.

Mr. A. C. Chevins, president of Cunningham, has been elected to the Board of Geers Gross, as it is the intention of both companies to enter into joint business ventures "on the Continent" as the need or opportunity arises.

FAIRBAIRN—ROYLES

The offer by Greenbat—a wholly owned subsidiary of Fairbairn Lawson—for Royles is unconditional — acceptances have been received in respect of 203,870 Ordinary shares (92.8 per cent.). The offer remains open for 14 days.

Mr. Noel de Monte, Fairbairn group managing director, said Fairbairns intended to expand the Royles existing business particularly the valve manufacturing activity, and the acquisition would be used to move the Group into the manufacturing of hardware for the oil and chemical industry. The group was constantly on the look-out for similar opportunities, he added

SHARE STAKES

Trianco Group-The Investment Co. as a result of a purchase on September 22 has a holding of 2,415,000 Ordinary shares.

Ciro Holdings-Howard and Wyndham has increased its holding to 2,205,800 Ordinary shares (32.99 per cent. of the equity).

Tremletts—Int. Timber deal details

DETAILS OF the sale by Tremletts, the troubled specialist engineering and timber group, of five of its U.K. timber subsidiaries to International Timber Corporation has been released to shareholders.

When the proposals were first announced in June this year, six companies were to have been disposed of for a total cash consideration of £2m. Now Hahn and Co. is to remain an operating subsidiary and the total cash involved is expected to be around £1.1m., with a further £643,000 arising from group tax reliefs also going to Tremletts.

It is anticipated that borrowings will be reduced by £1.08m., with a further reduction in one year's time when International Timber releases £250,000 which is being retained "as security for the warranties and indemnities contained in the contracts." This sum will bear interest at 1 per cent per annum over the base rate of National Westminster Bank.

The consideration payable is equal to the net tangible assets of the five companies, together with a payment for goodwill of £50,000. In addition, International Timber has settled amounts totalling £453,000 which were owed by the five companies to other companies within the Tremletts group.

Tremletts also announces that it has agreed to sell C. H. Smith (Stoke-on-Trent) to Marchwiel Holdings for £110,000 in cash. And there is a further sale of assets for £240,000 of one of Tremletts' subsidiaries, Tower Plywood, to a company which will be controlled by a former managing director of Tower Plywood. These sales, in line with the declared policy of appropriate disposals, will go towards further reducing indebtedness.

In the letter to shareholders, chairman, Mr. Roland Smith, admits that the disposal programme "has taken somewhat longer to implement than was anticipated at the time of the capital reconstruction" earlier this year.

However, Tremletts' main problem still appears to centre on the involvement in Holland, and this is seen as a continuing obstacle to a relisting of the shares.

TOWN & CITY ACQUISITION

Town and City Properties has acquired the share interests of Mr. Harold Ford and an associate in its subsidiary Newland Securities (Central), of which Mr. Ford is a director. Net assets attributable to these interests is £471,000.

Payment for the acquisition was 607,860 Town and City Ordinary shares, £181,255 8-14 per cent. Convertible Unsecured Loan Stock 1994-99, and £80,000. The package has a present market value of around £290,000—however, the £80,000 is cancelled out by a similar amount due by Mr. Ford to Town and City.

The loan stock concerned has been placed by the company's brokers, Panmure Gordon.

ESTATES HOUSE—FORTROSE

Estates House Investment Trust has received acceptances of its offer for Fortrose in respect of 23,057 Preference, 38,547 Ordinary and 279,021 Deferred shares—89.4 per cent., 95.9 per cent. and 97.7 per cent. respectively. The offer has become unconditional and remains open.

CENTRAL PROVINCES MANGANESE ORE

Acceptances received for the Estates and Agency offer for Central Provinces Manganese Ore amounted to 3,745,224 Ordinary units (93.6 per cent.). The offer is now closed — Estates and Agency intend to acquire compulsorily any outstanding stock.

MARDON PACKAGING

Tube Winding (Paper) a subsidiary of Mardon Packaging International, has agreed to acquire for £200,000 cash the business of Capseals Tubes, owned by Capseals Ltd., which in turn is a subsidiary of Cope Allman International.

The purchase includes most of the plant and machinery, together with the goodwill, but neither the title of Capseals Tubes nor the premises at Slough. The effective date of the acquisition will be January 2, 1976.

SGB PURCHASES HARVINGALE

SGB Group has acquired the net assets of Harvingale Manufacturing, industrial protective clothing manufacturer and suppliers of Romford, for an undisclosed sum. Harvingale will operate as a subsidiary of Scaffolding (Great Britain) SGB's main operating company. Mr. A. P. Harvey will continue as managing director.

ASSOCIATE DEAL

Raphael Robinson and Glyn on October 31 bought on behalf of associates 20,000 Ciro Holdings at 14½p.

Barratt Developments confident

THE DIRECTORS of Barratt Developments are confident of the group taking an increasing share of the national private housing sector, and also that its manufacturing activities will increase production and profitability.

Stating this in his annual review, chairman Mr. L. A. Barratt adds that development in the property investment sector will continue on selected sites "where demand is high and the yield is right."

At present, he reports, the forward sales position of new houses and contracting orders is at record levels—but more significant is the high proportion of forward house sales legally contracted and the number of package deals negotiated with local authorities.

In the year to June 30 last despite the major recession in the industry the group built more houses and completed more contracts than in 1973-74 and, Mr. Barratt points out, came fairly close to repeating that year's record profit.

As known, pre-tax profit for 1974-75 was £6.059m. (£6.525m.) and the final dividend is the forecast 4.729p net on capital increased by a rights issue—the gross equivalent total is lifted from 5.88p to 9.172p.

Notwithstanding the considerable expansion which took place, bank borrowings were substantially reduced during the year by almost £5m. Borrowings are all confined to major clearing banks from whom there are available unused facilities of over £10m. to assist future working capital requirements.

Despite the current problems in the building industry and property sector, the directors consider the market value of the group's investment properties and land bank for residential, commercial and industrial development, are all "substantially in excess of cost."

The accounts show that the chairman's remuneration went up from £24,000 to £34,000. His holding of fully paid Ordinary 10p shares is shown at 1,982,593 at June 30, 1975, against 2,985,897 a year earlier, the major part of the reduction reflecting the placing of shares last April for tax reasons.

The programme is going ahead because it is clear that, as a result of the increase in overseas business, the company could be embarrassed by a shortage of capacity when the home market revives.

Chairman's statement Page 29

Export boost for Wombwell Foundry

Wombwell Foundry and Engineering Company's works are fully employed, but order books are relatively short as most customers are delaying purchases. It is therefore difficult to predict the present year's outcome with certainty says the chairman, Mr. G. L. Bramah.

He points out that the company's fortunes depend considerably on the steel industry, which has been in recession over the last six months. There is little sign of improvement, but the company has embarked upon a successful export drive.

Direct exports increased tenfold in the year to July 31, 1975, and represent an increasing proportion of the business.

Mr. Bramah reports that the first stage of the investment programme is almost complete, and the second has been authorised.

Leisure and General

The chairman of Leisure and General Holdings, Mr. T. L. Porter, told the annual meeting yesterday that he expected a significant improvement in the half-year's profit compared with the same period last year.

Mr. Porter also declared his confidence that the company would again be reporting record profits for the year.

Charles Wade

First half taxable profits of Charles Wade and Co. (iron and steel stockholders and structural engineers) have slumped from £168,636 to £25,164—as previously, full account has not been taken of potential stock profits. The pre-tax figure for all the year 1974 was £433,808.

Chairman Mr. D. E. Byner says the severe downturn in trade, to which he referred in his 1974 report, is continuing, with substantially reduced activity in all divisions.

He adds that it is impossible to forecast when a significant upsurge will occur and the directors do not propose an interim dividend. The last Ordinary dividend payment was in May 1970.

Luyt lifts bid for SAAN to 600 cents per share

BY RICHARD ROLFE

JOHANNESBURG, Nov. 3.

THIS MORNING Mr. Louis Luyt's 450 cents per share bid for South African Associated Newspapers looked all washed up, with the announcement by the trustees of Sir Abe Bailey's estate and related interests, holding 41 per cent. of the SAAN shares, that they had "decided to decline the offer."

To-day's Rand Daily Mail editorialised: "Thank goodness Luyt failed." and they quoted Mr. Luyt as saying: "The thing is finished."

A joint statement by Mr. Luyt and the Leader of the Opposition, Sir De Villiers Graaf, whose 100m. Rand family trust Graaf Investment Nominees, was to have been a partner in the bid, said that "no doubt other offers will be made by other parties."

The general feeling in Johannesburg was that it was all over; but in the afternoon, Mr. Luyt, who made his name as founder of the Trionf fertiliser group, made a second offer of 600 cents per share to the trustees, valid for seven days. On the Johannesburg Stock Exchange, where SAAN shares were re-listed, the opening price was 290 cents, but they closed strongly—before Mr. Luyt's second offer was known—at 370 cents.

Last week Mr. Luyt had announced that the West German Springer group was coming in as a partner, which was later denied, and that the Michigan publisher Mr. John McGoff, a business associate of the Minister of Information, Dr. Connie Mulder, would be the other overseas partner, a possibility which still remains.

The latest bid is the last of what can only be described as a series of bizarre developments, culminating in the Graaf family interests' involvement over the week-end. Sir De Villier's joint statement with Mr. Luyt said that his intervention "at the invitation of Mr. Luyt" was largely motivated by a desire to guarantee Press freedom in the best sense of the term, and to ensure that SAAN would not be taken over by any one political party."

However, more cynically, SAAN papers have suggested that Sir De Villiers hoped to do a deal with Mr. Luyt by which the group's Sunday Express would revert to supporting the United Party, currently lacking the support of a major newspaper, in return to partnering Mr. Luyt in the bid. Given Sir De Villier's long association with some of the Bailey trustees, and with the influential Dr. Franscronje, United Party Treasure, chairman of Mr. Luyt's bankers, Nedbank, and of South African Breweries, and a director of SAAN, a way also appeared to be opening up for the SAAN Board to recommend acceptance of Mr. Luyt's bid.

Wishful thinking on the part of the victims may have obscured the fact that a fair offer will be hard to beat, and there may at some price be a fiduciary duty on the part of the trustees to accept. Even though Mr. Luyt has been likened to an "Afrikaaner bull in an English china shop," no one should underestimate his determination, or the desire of Afrikaaner businessmen, as evidenced by General Mining's victory in the Union Corporation battle, to seize what commanding heights remain available in South Africa.

A counterbid is possible, but so far no one in the English business community has shown the right mix of money and determination. The odds favour Mr. Luyt as this stage.

So far, no one has defended the SAAN management's track record. The Financial Mail has observed that Luyt's bid "may pave the way for a new infusion of leadership and business acumen at board level." An outside paper has described the management as "notoriously inept."

The bid has not yet reached the point where the customary assurances are given about preserving continuity and employment. But all the evidence suggests that new vistas will be opened up for Mr. Luyt's own fertiliser salesmen.

The 600 cents per share bid compares with SAAN's price of 190 cents before it rose 10 days ago on bid talk, with net asset value put at 900 cents, and values SAAN with 1.9m. shares in issue at R11.5m. After earlier indications of second-half pre-tax profit of R.1.5m., following the first-half loss of R.200,000, the figure seems unlikely to be more than R.750,000. This will neither strengthen the hand of the SAAN management nor put steel into the Bailey trustees. On the other hand, as an asset-stripping exercise Mr. Luyt could probably make any offer self-financing to a major extent by sales of peripheral assets and shareholdings to realise perhaps R.5m. to 6m., while leaving his control of the five major SAAN papers intact.

Much speculation has also surrounded the attitude of the Argus group, which holds 33 per cent. of SAAN, and whose chairman, Mr. Layton Slater, issued a statement at the same time as the Bailey Trust, saying that "if Mr. Luyt made a similar bid for the Argus holding in SAAN, it would be rejected."

The Prime Minister has said that a defensive merger would not be allowed. But Argus has a pre-emptive right which could be exercised to acquire the Bailey interest's shares, and could then attempt to place them in firm hands opposed to Mr. Luyt.

However, far from wishing a further commitment to SAAN, Argus may welcome the opportunity to sell provided by an offer which would realise it R3.9m. at the current price. Then, the scenario goes, Argus would be the last bastion of the English-speaking Press, impregnably owned by JCI with 18 per cent. and other firm holders. More important, it would no longer be inhibited from competing in areas of SAAN dominance—the Sunday papers, a morning daily (Argus published the Afternoon Star) and a financial weekly.

Finally, it would be able to take its pick of disgruntled SAAN editorial staff, so strengthening Argus and leaving Mr. Luyt with a lame duck.

Breweries bid for Stelbos

BY RICHARD ROLFE

JOHANNESBURG, Nov. 3.

FOLLOWING LAST week's excellent interim profits from Stellenbosch Wine Trust, SA Breweries, already in control of 29 per cent. of the Stelbos shares, has obtained Government approval for a bid for the outstanding equity. The terms are to be 350 Breweries for 100 Stelbos and with Breweries at 116c, 4c up on the news, the outstanding 71 per cent. of Stelbos is valued at R59m., or 405c. Stelbos shares were bid up to 420c in Johannesburg to-day, reflecting a peak of 120c in Breweries.

Taking the Breweries and Stelbos, valued at R59m, or 405c. to March, Breweries brought in R1.5m. of dividend income from Stelbos while on a fully consolidated basis the earnings contribution would have been R14m. Now, under the existing plan, breweries will issue 51m. shares for the 14.6m. Stelbos it does not already control, equivalent to earnings per Breweries share of 24.5c on the shares to be issued against Breweries own earnings of 18c for the comparable period. The "face-washing" exercise for Breweries should be even more attractive in the current year as the Stelbos interim suggests that its own earnings are rising more rapidly than Breweries, though the general tenor of the directors' comments implied some second half slowdown.

Breweries' own major shareholder, JCI with 18.7 per cent., also has 13.1 per cent. of Stelbos and thus ends up with a fractionally smaller shareholding in the expanded Breweries capital, which will rise from 179m. to 230m. shares with the JCI stake moving up from 33.3m. to 42.8m. and confirming Breweries as JCI's own biggest investment. While there might be some grumbling among the minority that the earnings aspect of the deal favours Breweries, the answer in the documents will no doubt be that Stelbos had net worth of only 245c last March (admittedly excluding the goodwill in the liquor stores) against the comparable figure for Breweries of 130c per share.

Breweries' original acquisition of a stake in Stelbos was successfully opposed through to the appeal court by its chief rival, the Rembrandt group's Oude Meester, only to be legalised by a subsequent amendment to the Liquor Act when the then Minister of Justice, Mr. John Vorster, ruled that Breweries' stake in Stelbos should not exceed 31 per cent. and that of JCI should not exceed 16 per cent. The parallel development to the Breweries takeover of Stelbos could now be consolidation by Rembrandt of its own diverse liquor interests, ahead of what promises to be intensified competition in the market place.

Premier Metal rights issue

BY RICHARD ROLFE

JOHANNESBURG, Nov. 3.

AS FORESHADOWED two weeks ago, Messina's subsidiary Premier Metal is to raise R1.8m. by a rights issue on the basis of one-for-four at 235c, compared with the current market price of 275c. The issued capital will be raised by 771,000 shares to 3.9m. Messina is underwriting the issue for a fee of 2 per cent. on the capital other than the 64 per cent. it holds already—a welcome change from mining house practice of underwriting even shares which the house is aware it will take up.

Karstadt profits decline

By Guy Hawtin

FRANKFURT, Nov. 3.

KARSTADT, one of West Germany's store groups, has registered a slight decrease in profits during the first nine months of the year, despite a substantial increase in turnover. This was ascribed to a steep rise in costs which was not entirely offset by harsh rationalisation measures.

But Karstadt, in its interim report, said it believed that this year's costs could be contained and that, with healthy Christmas sales, it hoped the year-end results would be satisfactory.

Turnover of Karstadt AG—the parent concern—rose by 8.9 per cent. to just over DM4.5bn. in the first three quarters, compared with the same period of 1974. This figure includes Value Added Tax but not the results of the group's travel business.

Sales per square metre were up 8.4 per cent. as the concern registered only a 0.7 per cent. increase in sales space from September 30, 1974. However, by the end of the year sales space will have been increased by a further 1.5 per cent. following the opening of a new store and the extension of an existing one.

The group's travel business showed an 11 per cent. growth against the first nine months of last year—further confirmation of reports that German workers have not stinted themselves of holidays despite the high unemployment rate.

Turnover in this branch reached DM133.7m.

Turnover for the group's more down-market subsidiaries, Kena Kaufhaus and Karstadt SB Warenhausgesellschaft, rose even faster. It was up 11.6 per cent. against the same period of 1974 to reach DM752.2m. This, however, was largely attributable to a 9.9 per cent. increase in sales space; in real terms, growth was only 3 per cent.

Consolidated figures showed a group turnover of just under DM5.28bn.—9.3 per cent. up on the first nine months of 1974. But without new sales space, this growth rate was trimmed to 7.6 per cent.

Further upturn at Bayernhypo

By Nicholas Colchester

BONN, Nov. 3.

BAYERISCHE HYPOTHEKEN und Wechsel Bank, the largest regional bank in West Germany, reports a slight pick up in its customers' demand for credit in the third quarter. Without giving any figures it says that its results in the quarter continued the improvement shown over the first six months.

Between the end of June and the end of September credit to customers rose by DM145m. to DM9.5bn. Over the same period the bank's overall business volume rose by 3.6 per cent. to DM28.6bn.

The high propensity to save that has been such a feature of the German financial market this year continued in the third quarter at Bayernhypo. Savings accounts grew by DM300m. to DM7.4bn. during the period, leaving them DM1.4bn. above their level a year earlier.

Finmeccanica doubles loss

By Dominick J. Coyle

ROME, Nov. 3.

FINMECCANICA, the Italian holding company with 36 subsidiaries covering engineering, aerospace, nuclear power and machine tools, has turned in a loss of just L80bn. (£57m.) for the year ending June 30 last, almost exactly double the previous year's deficit.

The company, part of the State-controlled IRI group, reports sales up by 15 per cent. to L985bn. (more than one third in foreign markets). But increases in costs are considerably higher mainly for labour, raw materials and as a direct result of the energy crisis. The recession generally made for a much lower level of demand in volume terms.

Finmeccanica's automobile sector, including Alfa Romeo and the big Alfa Sud plant at Pomigliano d'Arco near Naples, accounted for 44 per cent. of total 1974-75 sales, with the nuclear and thermo-electrical division being responsible for a further 24 per cent.

Senor Camillo Crociani, Finmeccanica's president and chief executive, told a shareholders' meeting here that productivity had lagged behind the sharp rise in production costs.

CVRD export performance well ahead of world trend

BY SUE BRANFORD

SAO PAULO, Nov. 3.

DESPITE the 17 per cent. fall in world steel production in the first nine months of this year and the subsequent fall in world demand for iron ore, CVRD (Cia. Vale do Rio Doce), the Brazilian state-owned company, has managed to keep the volume of its exports up to the same level as last year. According to its quarterly report, the company exported 33.4m. metric tons of iron ore during the first nine months of this year, mainly to Japan, West Germany and the U.S. The value of these exports, moreover, was well up, to $423.8m.

Considerable satisfaction was expressed by the company in the report: "these results mean that CVRD managed to conquer a larger share of the market, for, while other companies were forced to reduce exports, it maintained them at the same volume."

CVRD is Brazil's largest mining company and the seventh largest company in any sector. Its net assets are worth about $620m. and it had a turnover of about $480m. last year. During the first nine months of this year it invested $180m. in new projects, of which 41 per cent. went on the company's various diversified projects, such as afforestations, paper and pulp and shipping. In its traditional field, the largest sum went on the building of a second railway line from the state of Minas Gerais, where its most important mines are situated, to the port of Victoria in Espirito Santo.

CVRD has also received confirmation from the Japanese Government that LMSA, Light Metal Smelters Association, the consortium of five Japanese companies (Nippon Light Metals, Showa Denko, Sumitomo Chemical Industry, Mitsubishi Chemical Industry and Mitsui Aluminum Company), which have a 49 per cent. stake in Albras (Aluminio do Brasil SA), will be going ahead with the project. The project involves the construction of an aluminium plant, with a final annual production of 320,000 metric tons near Belem in the Amazon region. Production should begin in 1979-80, with an initial output of 40,000 tons.

In the last few months, there has been considerable doubt as to the continued participation of LMSA in the project, because of the fall in world aluminium demand. To accommodate the decline in Japanese interest, the project has been restructured. Originally, ALBRAS involved the production of both alumina from bauxite mined in the region, and aluminium, the final product, as well as the construction of a hydro-electric power station at Tucurui, on the river Tocatins, a tributary of the Amazon. The whole project was budgeted at about $3bn.

Now the project has been subdivided. The Brazilian Government has agreed to undertake alone the cost of the power station, put at about $700m. ALBRAS, with the same partners, will just manufacture aluminium. And another company, Alunorte, with a third partner, Alcan to divide LMSA's stake in the project, has been formed to produce Alumina. Alunorte should be producing 800,000 tons of alumina by 1981-82. It is still planned that ALBRAS should start operations in 1979-80, using imported alumina in the beginning.

More cutbacks by Air France

BY RUPERT CORNWELL

PARIS, Nov. 3.

THE FRENCH national airline Air France, already plagued for the last month by labour unrest among groundstaff, is planning to introduce a further economy programme to try and reduce an operating deficit that is likely to reach Frs.400m. (£45m.) for this year.

The forecast loss this year represents an improvement from the shortfall of Frs.542m. (£60m.) registered in 1974, but is substantially worse than the Frs.170m. anticipated only a few months ago. The reason is the continued slump in air traffic, which is keeping revenues down.

The cutbacks announced to a works committee meeting by the airline's managing director M. Gilbert Perol do not seem too draconian. Flights to Belgrade and Sofia, and to Chicago and Los Angeles will be reduced while Air France will only operate one Paris-Peking flight per week, instead of the two at present. Introduction of a Paris-Havana route has been postponed as well. The airline will also soon drop its Boeing 707-A aircraft, which are too heavy on fuel for the stringent circumstances of to-day.

At the same time the company announced a rise in its capital to Frs.1.76bn. from Frs.1.36bn. Since the airline is 98 per cent. owned by the Government, this amounts to an injection of public money to help with the purchase of aircraft—most notably Concorde which enters commercial service to Rio from Paris on January 21, 1976.

In the meantime, the labour dispute drags on at both Orly and Roissy-en-France airport near Paris. For the past four weeks flights have been occasionally cancelled and frequently delayed. Air France's management however is arguing that it cannot make the concessions demanded by the unions because of its parlous financial state.

McDonnell Douglas Eurobond

BY MARY CAMPBELL

IN ITS FIRST ever international bond issue, McDonnell Douglas is to raise $40m. on the Eurobond market. Maturity of the issue will be six years and indicated coupon is 9¾ per cent. Lead manager is Morgan et Cie.

The borrowing is being made by McDonnell Douglas International Finance Corp, which is a wholly owned subsidiary of the domestic finance corporation. The new overseas operation has been set up to conduct certain of the organisation's non-U.S. lending, leasing and borrowing operations which had previously been done by the U.S. finance corporation.

★

A $380m. Euromarket loan for the Mexican State oil company Petroleos Mexicanos was signed in London yesterday. Originally scheduled to be $300m., the loan offers a spread of 1½ per cent. on a five year maturity. The loan was arranged by a group of nine equal co-managers, which included most of America's largest banks.

Favelle Mort liquidity crisis

BY JAMES FORTH

SYDNEY, Nov. 3.

CRANEMAKER FAVELLE Mort was placed in receivership to-day because of "a severe liquidity crisis." Announcing the receivership, directors said drastic action would be needed if the liquidity problem was to be overcome. At the same time they disclosed that a "substantial public company" was interested in buying part of the company.

Directors blamed the present crisis on the collapse of the high-rise construction industry. The building industry has been depressed since last year's severe credit squeeze, which led to the collapse of the large construction and property group, Mainline Corporation. Other factors mentioned were the postponement or cancellation of Government civil works and the Government's policy on oil and mineral exploration.

"Rapidly increased wages and other costs were not able to be fully recovered, and industrial trouble caused delays in completing production and resulted in losses," said directors. "A temporary decline in offshore oil exploration in South-East Asia and a drastic reduction in orders for crane components from the U.S. have dramatically curtailed the company's anticipated earnings outside Australia. The result has inevitably been a severe liquidity crisis which will require drastic action if it is to be overcome," they added.

The company was put in receivership by the National Bank of Australasia. A scheme of arrangement is now being urgently prepared which might involve acquisition of part of Favelle Mort by a public company.

The Board anticipated the company would only take half of each shareholder's interest, either directly through the scheme of arrangement or through a formal offer. Favelle Mort's shares sold to-day at 21 cents, which compares with a high this year of 41 cents.

If the scheme goes as planned it would allow an injection of funds and further rationalisation and diversification to enable the company to continue in business and take advantage of any improvement in the economy. Directors asked all secured and unsecured creditors to withhold any action until the scheme of arrangement is finalised.

Favelle Mort earned a profit of $A360,000 in 1973-74 but slumped to a $A181,000 loss in 1974-75, after being $A324,000 in the red at the halfway mark.

Further substantial losses were incurred in the first quarter of the current year. Directors said that although current inquiries indicated a possible revival of the market in 1976, orders taken over recent months had not been enough to recoup overheads and the value of orders on hand was "extremely low."

Boral absorbs associates

BY JAMES FORTH

SYDNEY, Nov. 3

BORAL MAJOR diversified building materials and quarrying group, has made takeover bids worth $A14.86m. for two listed associate companies in a move to rationalise its operations and administration. The offers are for the remaining shares in Boral Basic Industries and Glen Iris Brick Consolidated. Boral already owns 81.97 per cent. of BBI and 80.02 per cent. of Glen Iris.

The offers are one Boral share for each BBI share, three Boral shares for every four Glen Iris and three Boral shares for each six Glen Iris convertible unsecured notes. On Friday's market price the bids are worth $A2.05 a share for BBI, which at June 30 had a net tangible asset backing of $A1.86 a share, and $A1.54 a share for Glen Iris, which had an asset backing of 96 cents.

Boral recently featured in a takeover battle for control of Cyclone Australia which it finally acquired with a $A23m. bid.

Directors said there were several reasons for the latest bids. The original reasons for having minority interests in both companies no longer existed, the move would strengthen Boral's corporate image, it would end sharemarket confusion between Boral and BBI and it would reduce administrative costs. Boral chairman, Sir John O'Neill said that Boral was separated from the other companies several years ago because it was actively engaged in the oil refining and marketing industry, which was a field that did not offer full hopes for future success. Boral has since quit the oil industry.

Sir John also explained that the Caltex group, owned by Texaco of the U.S., until recently had a long standing agreement which allowed it to take up to 40 per cent. of any new Boral share issues. Caltex had not used the option for at least 20 years but the power no longer applied. The takeovers will water down the existing 11.16 per cent. holding of Caltex.

Sir John said it was a "desirable thing" to bring the companies under the one roof. Directors regarded acceptance as an administrative improvement to the Boral group with advantages to the present minority holders in BBI and Glen Iris. A holding in the group would tend to insulate accepting shareholders from an economic downturn because of its overall diversification.

BBI's fortunes were closely allied to Government spending on roads, airports and civil engineering and Glen Iris to the building industry—both areas of low activity. Apart from BBI and Glen Iris, the other main divisions of Boral are the concrete products group, gas supply group and the steel mills-Cyclone group.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	97	98
Ashland 8pc 1987	89	90
Australia 9pc 1987	90	91
BFCE 9pc 1989	98½	99½
Borregaard 9½pc 1989	92½	93½
Carrier 8pc 1987	89½	90½
Conoco 9pc 1986	94½	95½
Consd. Foods 7½pc 1991	85½	86½
Cutler Hammer 9pc 1987	90½	91½
EIB 9¼pc 1985	100¼	101¼
Esso 8pc 1986 Nov.	97	98
General Cable 8½pc 1987	85	86
General Motors 8½pc 1980	101	102
GTE 8¾pc 1986	95½	96½
ICI 7½pc 1982	79½	81½
Nat. Grindlays 7½pc 1987	73	75
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7¾pc 1988	87	88
Quebec Hydro 8½pc 1990	97½	98½
Queensland 8¾pc 1987	88½	89½
Scanraff 8½pc 1988	94½	95½
Shell 8pc 1986	94	95
Stand. Oil (Ind.) 8½pc 1988	97½	98½
Tenneco 7¾pc 1987	86½	87½
Transocean 8pc 1986	94	95
TRW 8½pc 1986	98	99
Utah 8pc 1987	89½	90½
Volvo 8½pc 1988	99	100
NOTES		
Air France 9¼pc 1983	100½	101½
Aust. Ind. Dev. 10½pc 1981	102	103
Barclays 7¾pc 1975	98	99
Cie Ntl. du Rhone 10pc '82	102½	103½
Du Pont 7¾pc 1978	101½	102½
Esso 7¾pc 1978	100½	101½
General Motors 8¾pc 1978	100½	101½
Marubeni 9¾pc 1982	100½	101½
Nippon Fudosan 10½pc 1981	102	103
Stand. Enskilda 10½pc 1981	103½	104½
Tenneco 7¾pc 1979	98½	99½
Tokyo Curacao 10½pc 1981	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	77	79
Ashland 5pc 1988	76½	77½
Beatrice Foods 4½pc 1992	92	94
Beatrice Foods 4⅞pc 1991	101	103
Borden 5pc 1992	93	95
Broadway Hale 4½pc 1987	75	77
Canon Camera 7¼pc 1989	91	93
Carnation 4pc 1987	85	87
Chevron 5pc 1988	99	101
Dart 4¾pc 1987	79	81
Eastman Kodak 4½pc 1988	113	115
Economic Labs. 4½pc 1987	76	78
Eidal 7pc 1989	[illegible]	85
Fed. Dept. Stores 4¾pc 1985	129	131
Firestone 5pc 1988	88	90
Ford 6pc 1986	95	97
Ford 5pc 1988	75	77
General Electric 4¼pc 1987	92	94
Gillette 4¾pc 1987	71½	73½
Gould 5pc 1987	95	97
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	65	67
Honeywell 6pc 1986	75	77
ITT 4½pc 1987	68	70
Komatsu 7½pc 1990	103	105
J. Ray McDermott 4¾pc '87	115	117
Mitsui 7½pc 1990	102	104
J. P. Morgan 4¾pc 1987	96	98
Nabisco 5½pc 1988	90	92
Owens Illinois 4½pc 1987	85	87
J. C. Penney 4½pc 1987	77	79
Pioneer 8pc 1988	157	162
Rank 4½pc 1992	40½	42½
Revlon 4¾pc 1987	99	101
Sperry Rand 4¾pc 1987	97	99
Squibb 4½pc 1987	83	85
Texaco 4½pc 1988	76	78
Toshiba 6½pc 1990	102	104
Union Carbide 4¾pc 1982	102	104
Warner Lambert 4½pc 1987	90	92
Warner Lambert 4¾pc 1988	76	78
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

FINANCIAL TIMES SURVEY

Tuesday November 4 1975

THE TRAVEL INDUSTRY

The industry has done a lot better this year than most observers would have predicted a year ago. Spending on travel abroad has held up well during the present economic difficulties and the domestic industry has done well.

Better than expected

By Arthur Sandles

THERE WERE plenty of people a year ago who would have been willing to bet there would not be a travel industry worth discussing at this point of 1975. But Britain's travel agents gather for their convention in Miami Beach, Florida, this week in the knowledge that things have gone rather better than most of them expected. Times are hardly good in the travel trade, and particularly not for retailers, but they could have been a great deal worse. And what has proved a reasonable time for those handling foreign travel has also not been too bad for those in domestic tourism.

Tourist arrivals in Britain have grown substantially over the past 12 months, and our travel trade balance has swung massively into the black. The gains have not been as great as were really necessary to take up the slack which resulted from surplus British bed-stock, but at least things have gone much better than had been feared.

Uncertainty

The questions the travel industry faces at the moment therefore concern the root causes of the relative buoyancy of travel over recent months, and uncertainty over whether that buoyancy can be maintained into 1976. At the moment the answer from most industry pundits to queries over the prospects for next year is one of extreme caution. Few seem to expect '76 to be another period of surprisingly high demand and, as far as taking the British abroad is concerned, most appear to expect to look back on 1975 as part of the good old days.

The major difference between the markets of this past year and the one before is that travel appeared to move upwards in the average consumer's list of priorities. Certainly the holiday trade performed much better than its traditional rivals for a share of the leisure pound. While sales of colour televisions slumped, the hi-fi business became sluggish and the car business ran into problems, attention was focused on holiday spending. This move seems to have been encouraged by a series of interwoven psychological and financial factors.

Financially, whatever the popular impression may be, a large slice of the British population were far better off in the past summer than they had ever been before. When Mr. Wilf Jones of Cosmos Tours spoke glowingly of the "worker revolution" in travel he was not entirely wide of the mark. A substantial number of mid-to-lower income workers had in fact managed to keep their earnings ahead of the rising cost of living and were eager to taste the delights of holiday-making on a middle-class scale.

At the same time there was a feeling among those very middle classes that money was losing its value so rapidly that it should be spent quickly before it became worthless. The motto "Spend it to-day or the Government will take it away from you to-morrow," was not entirely a myth.

Elements of the formula have changed somewhat over more recent weeks. Government efforts to reduce real incomes in its campaign to curb inflation are biting at most levels of the wage ladder, and big spenders are finding it difficult to dispose of cash they do not have in the first place. It is for these reasons that operators such as Thomson, British Airways and Cosmos are looking to an increased share of the market in order to sustain their commercial health. Not one of them has said that the market will grow to any appreciable extent. They, like others, have contingency plans for a substantial decline.

This concern over the state *of the market ought finally to* remove any threat of a travel allowance being introduced. This was the bête noir which was raised by MP Sir George Young at the last convention of the Association of British Travel Agents in London a year ago.

The real need for such an allowance has been substantially diminished because British travellers have themselves displayed more caution in their spending abroad. Quite apart from the fact that such an allowance contravenes many international understandings and agreements it is also not necessarily very effective. Unless the allowance were small enough to be punitive it would simply encourage holiday-makers to take budget package tours and maximise their cash. The one part of the argument which has grown stronger is the abstract one of the fact that the British would be seen both by foreigners and themselves, to be taking their economic problems seriously if they introduced a travel allowance.

Government intervention in the travel field on another *front, consumerism*, would seem to have run its course for a time at least. It is possible, of course, that licensing and bonding will be extended to areas of travel other than package tours, but by and large there is a strong suspicion that the present Government has no wish to repeat its awkward involvement in the Air Travel Reserve Fund Act.

The scene has really moved to the running conversation between Mr. John Methven and his Fair Trading Department and the industry. At the moment the relationship is not entirely happy, and there appears to have been a substantial misunderstanding at a meeting between the two sides recently. But much of Mr. Methven's work is being done for him anyway by the cold wind of competition which is producing a "guarantees" war among tour operators.

Much more serious for the travel industry at the moment is concern over the future of Spain. Something in excess of 3m. British package tourists might be expected to go to Spain next year. The British *account for 13 per cent. of* Spanish traffic by arrivals, and are considerably more important than that in terms of the money spent and in providing employment (much of the arrivals total comes from short-trip French and Portuguese traffic).

The truth of the matter is that there is simply no way in which the British travel industry could deal with any sustained internal difficulty in Spain. This is not only because of the importance of Spain to the British foreign travel market, but also because in the event of difficulties the U.K. companies would be in competition with the Germans, the Americans and the Scandinavians in the battle to find beds elsewhere.

The most recent nail-biting over Spain has, however, come at the best time, since the market has time to settle down, and the main 1975 season is over. If there were to be widespread problems in Spain in the early summer of next year, however, a serious question mark would hover over the financial future of dozens of British tour *operating concerns.*

Spain is likely to be one of the major talking points at the ABTA convention in Miami, along with the vexed questions of retail commission rates, and the eternal debate over "what is British Airways up to." Indeed the Miami gathering has all the signs of becoming a much more consequential event than might once have been thought.

The idea of British travel agents going to Miami was conceived in balmier days of a stronger pound and a healthy market. It was, however, confirmed when things had taken a heavy turn for the worse—and confirmed amid a *storm of criticism.* Although it was once said that no one would go to Florida for such a meeting, in fact it now seems likely that there will be approaching 2,000 registrations, which would put the meeting on a par with the record-breaking gathering in Palma in 1973.

If Palma were to be taken as any guide it is not necessarily what happens on the conference platform which is of the greatest consequence. But when 2,000 tour operators and travel agents meet in the hot-house atmosphere of a resort all manner of undercurrents begin to flow fast.

No flood

For the host country in this case, however, the whole project may suddenly look a little less attractive than it did a couple of years ago. At that time the U.S was bracing itself for a flood of British tourists. Since then the traffic from Britain has indeed showed a steady rise, but it has not yet become a flood.

As the pound's relationship with the dollar worsens, so the prospect of Miami Beach becoming a big league centre for the British market tends to slide away. However, the chances are that, with the impetus of bi-centennial year, the U.S. will still do better out of the U.K. than most other destinations.

There may well be a similar stimulus of American traffic to the U.K., this time with the added incentive of cheaper pounds. Americans are rapidly *regaining the confidence* which they lost during the last year or so of Vietnam, during the Nixon crisis, and in the depths of the recent recession. Elections and bi-centennial celebrations in 1976 can only accelerate this movement towards renewed confidence. It is thought that bi-centennial year is encouraging Americans to take a trip back to their ancestral homelands, a mood which is being encouraged by British Airways with its "Come Home, all is Forgiven," campaign within the U.S.

If the Americans do start travelling to Europe again in force this should prove a basic stimulus signalling better times ahead for all. Britain, of course, has rather special problems and it may take the U.K. a little longer to bounce back, but on a more global basis there would seem good reason to expect a substantial improvement in *tourist flows by the middle of* next year. This will benefit that part of the British tourist industry which looks abroad for its custom. However, those who rely on the British travelling abroad for their bread and butter may have to wait a little while before they see much sign of jam.

THE TRAVEL INDUSTRY II

English tourists enjoying Spain's offering of sun and sea.

Tour operators' test ahead

EACH TIME the Civil Aviation Authority produces its new list of licensed tour operators, a few more names have disappeared. Perhaps, by this time next year, fewer than 300 people or companies will have the approved right to carry passengers on package tours. Of course, this is a long haul from the half-dozen or so that some were predicting a little while ago, but it is still a lot less than were around two years ago. Somehow or other the tour operating industry goes on.

But it would be foolish to suggest that power to-day is not being concentrated. The gap between the top three, Thomson, Cosmos, British Airways and the rest, is substantial and could grow larger in the next 12 months. It is surely inevitable that the trend towards accepted brand names will continue.

Around 3.3m. package tours were taken by the British in 1975, much the same as in 1974. But there was one essential difference between the two years. In 1974 some 5.5m. tours were on offer, compared with 4m. in 1975. The massive reduction in capacity showed itself in two ways. First, it was extremely difficult to get the holiday of your choice at short notice in peak season and, perhaps more important in broad terms, the past year has been one in which it has required some talent to make a financial loss. Thomson, the spectacular success of 1975, sold 95 per cent. of capacity and did not cut back a single flight.

The worry about 1976 is that this 1975 success will encourage a rush to provide seats for customers who will not in fact materialise. Thomson has let it be known that it is concerned about the extra capacity being provided by Cosmos, British Airways, Laker and Horizon Midlands. But most of these have talked about "flexibility" (the freedom to raise or cut back capacity where necessary) rather than straightforward over-supply.

Perhaps more worrying than the basic supply bottle, is the contest over guarantees. Already some commentators on the tour operating scene are seeing this as more worrying even than the price war of two or three years ago. At the moment tour operators are eager to "guarantee" their customers against any change in exchange rates or jet fuel prices. The normal period for these guarantees, now seems to be ten weeks prior to departure.

Consumer

This is well over twice as long a period as some consumer pressure groups have sought. A year ago Mr. Wilf Jones, chief executive of Cosmos, was describing such guarantees as commercial suicide, now he too has joined the battle. The obvious danger is that the pound plummets, perhaps with oil price rises too, within the ten week period. Perhaps the bigger companies could withstand the problems that such a movement would produce, but not all the tour operating industry would be so well placed. There maybe some who would prefer to see their tour company still functioning, rather than have to wait in line for their pay-out from the new State-backed reserve fund.

In fact there would seem to be some evidence for believing that the consumer would prefer to see some guarantee of his holiday rather than his money. Government intervention may have ensured that the cash is safe — even if there can be a long wait for it — but last minute "consolidations" (in other words holiday changes) are not unknown despite the new ABTA Code of Conduct.

Tour operating, therefore, could be in for a fascinating period over the next twelve months. Obviously the hopes are that the strains will not prove too great. The boom summer of 1975 may have lulled too many of them into a sense of self-security which is misplaced. The next year or so, as already indicated by the somewhat sobering winter season booking pattern lately, could be a testing time. For the sake of both industry and consumers we must obviously hope that operator optimism has not proved too far beyond the commercial facts. Britain needs a year or two of tour operator profitability to restore confidence.

Arthur Sandles

Roman amphitheatre at El Djem, Tunisia.

Commission row and discounts

If you can distract a travel agent from two particular subjects at the moment you must be a particularly wily conversationalist. Commission levels and the widespread sale of discount airline tickets through "bucket shops" are the current burning issues in retail travel. As costs rocket and trade levels off, the pressure on the retail outlet margins has grown severe, which is why the High Street travel agent is pressing so hard for a greater return from his principals. But at the same time he is seeing an appreciable slice of his airline ticket business being taken away from his as more and more travellers attempt to buy their tickets on the cheap. Although many respectable agents have found themselves forced in the rule-bending field of discounting it is in theory a considerable commercial risk for them to do so since it puts their agency status into jeopardy.

The discount ticket business is one which is of particular sensitivity to the travel agent at the moment because many airlines appear to be indulging in a severe case of double-think. On the one hand airlines condemn agents who sell tickets on the cheap, and on the other they happily supply the tickets which are to be discounted. The root cause of all this is that there are too many airlines and aircraft. The passenger pays a rate which will keep the system afloat, not the economic rate for an 80 per cent. full jet from A to B. This patently silly system is consistantly sabotaged by discounters but officially the airlines have to maintain a preference of price maintaining respectability.

Upsetting

Rule-bending travel agents have three main sources of cheap tickets. There are airlines who will sell a seat at any price in order to get money; there are tour operators who have sold all their tours; and there are group tickets for which the travel agent is also supposed to book accommodation. These days it is relatively simple to get hold of one of these types of ticket. It is the ease of this type of purchase which is upsetting the "respectable" agents.

Various schemes are being proposed to tighten up the system but there is some doubt whether the airlines (who really prefer the front-door, back-door system) and the agents, who want direct legal access to cheap tickets via a bulk purchase system, will be able to agree in the near future.

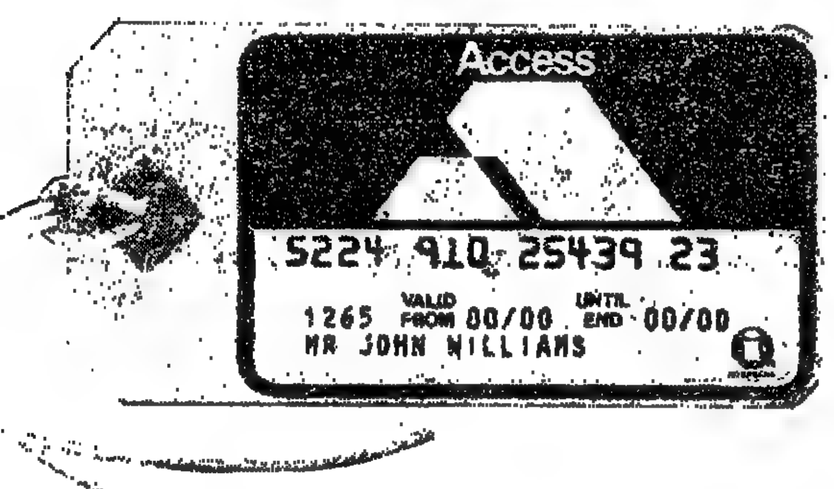
The agents have had marginally more success with their row over commission rates. The position over scheduled air fare commissions is in a state of near chaos and when Pan Am recently publicly broke ranks to do what others were doing via back-handers and increased the normal 7.5 per cent. commission on high turnover outlets it took U.K. Government intervention, court action and a diplomatic near-confrontation between Britain and the U.S. before some sort of order was restored. There is an uneasy peace at the moment with a range of commissions being paid and the agents still angry.

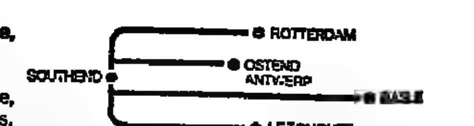
Much of this ire is being focused on the tour operators, who normally pay 10 per cent. commission on their package tickets.

On the surface this may sound a good deal. But it does mean of course that a small High Street agent who sells, say, 1,000 tours, collects £10,000 out of which he has to pay rates, rent, salaries, phone, postage and other overheads before he collects his own take-home pay. Some operators do pay more, normally in the form of a bonus for high sales, but sometimes it is a flat 12 per cent. The majors, however, can afford to be quite strict. Like Kodak in the film business there are some basic tour brands which retailers cannot do without.

Nevertheless it is difficult to see how an industry of the present scale can be sustained on commission levels at their current rates. Travel agents have shown a remarkable ability to bounce back over recent years but the trade Press of late has been noting some ominous hints in the form of agencies ceasing trading. Only a substantial upturn in the overall travel business would be likely to change the situation and that would require a revitalisation of the British economy. Such an upswing would seem unlikely in the short term, and it may be, therefore, that the agents must continue to look to argument over commissions and ticket discounts for their eventual salvation.

Arthur Sandles





Mixed fortunes on sea routes

Ferries

A FEATURE of the development of ferry services from the U.K. over the years has been the growth in the number of routes and ports used, as well as the growth in car and passenger numbers.

Virtually every port of any size around Britain's coasts has a ferry service operating to Ireland or the Continent. From most of the ports a variety of destinations can be reached, and frequently there are competing operators. From Newcastle upon Tyne in the North East to Plymouth in the South West ports serve Norway, Sweden, Germany, Holland, Belgium, France and Spain—and going even further afield with ferry/mini-cruise type operations.

British Rail, through its membership of the Sealink consortium which includes the shipping operations of its French, Belgian and Dutch counterparts, dominates the ferry market with 10 European routes, quite apart from the comprehensive Irish Sea services and the operations of its Seaspeed hovercraft wing.

Indeed, British Rail is the dominant partner within the Sealink consortium itself. Of the 84 vessels that carry the Sealink banner, 64 are British Rail owned. (These figures include ships used on U.K. domestic routes). Last year the Sealink consortium carried 16m. passengers and 1.6m. cars (again including U.K. internal traffic), while in peak periods 50 sailings were made in every 24-hour period.

Although not thought of as a modern fleet, Sealink has 34 ships that have entered service in the last 10 years; four new ships have been introduced in the last two years, the Belgians being noticeably active in adding new tonnage. The latest ship to enter service, the 9,000-ton St. Edmund, which was introduced on the Harwich-*Hook of Holland route earlier* this year, is the largest in the fleet, with capacity for 1,400 passengers.

Second in the Continental ferry league, and the largest private enterprise car ferry operator in Europe, is Townsend Thoresen. This company has been busily expanding its fleet and looking for new routes and new U.K. embarkation ports over recent years. The result is a modern fleet, plying a collection of routes from Dover, Southampton and Felixstowe to Zeebrugge, Calais, Le Havre and Cherbourg. From June next year the company will start a Portsmouth-Cherbourg service, having been baulked by British Rail in its efforts to operate from Weymouth.

The company is particularly excited about the Felixstowe operation which got underway at the beginning of this year. With three sailings a day in each direction, Townsend Thoresen sees this as an expanding route for Continental holiday-makers, and Zeebrugge is certainly proving a popular jumping-off point.

The Townsend Thoresen story is remarkable. In 1965 the company had just one ship, yet a fourth "Super Viking" class ferry, of 6,386 tons, to be launched this month will bring the fleet up to 27 ships. Of these 15 are passenger/car ferries, one of which has already been launched this year, following the three that took to the water in 1974. The company is currently carrying 2m. passengers and ½m. cars a year.

This year the ferry operators noticed a significant increase in the number of people and cars inbound to Britain from the Continent. Townsend Thoresen says the total traffic is now 50-50 whereas a few years ago only 10 to 20 per cent. of ferry users were Europeans coming to the U.K. Undoubtedly this is not all holiday traffic. Britain's low prices, in Continental terms, are attracting the shoppers. Sealink report a marked increase in the number of day trippers from the other side, and for all operators this non-holiday traffic should help to fill the ships during off-peak periods.

One big question affecting the future of the ferry services is the extent to which hovercraft can take over from ships, a factor that has come back to the fore with the cancellation of the tunnel. The most ardent hovercraft protagonists talk about a huge hovercraft involvement by the 1980s using second generation hovercraft.

For the *moment though*, the Seaspeed hovercraft wing of British Rail is making a strong bid for the necessary funds to stretch its two SR-N4s to a better size for technical and economic reasons. It may be significant that Dover Harbour Board has commissioned studies of the technical and environmental effects of a proposed new hoverport in the harbour.

Already, on the short Channel routes, Seaspeed and Hoverlloyd—the private operators already running three stretched N4s—account for 30 per cent. of the traffic. Many feel that hovercraft will finally "make it," and certainly the French will put themselves on the map when their Sedam N500 hovercraft enters service on the Channel in 1977.

For ferry operators large and small, steady growth still seems the order of the day, certainly on the short routes. It remains to be seen whether strong investment faith in hovercraft will affect the way the growing cake is sliced.

Hugh Colver

Cruising

The shipping cruise business, by contrast, has not experienced the buyancy of the ferry trades and operators anticipated and have produced a cutback of about 40,000 berths for this year to around 150,000 berths. In the event they have been pleasantly surprised by the volume of bookings received this year, with high load factors.

One major reason put forward is that although cruise fares in many cases have been up to 30 per cent. higher than last year, the falling value of the pound and the difficulties experienced by customers of package tours on the Continent, combined with the embarrassments involved *for many holidaymakers*, have led to many people seeking for the first time the stability of a "package" tour aboard a British ship—a point stressed in many cruising advertisements. Once on board the value of the pound and the price of goods and drinks is static.

This year alone has seen the departure of the luxury Italian liners built for the transatlantic trade—which found themselves quite unable to operate profitably in cruising because of their enormous fuel and labour costs—together with the France and the United States.

With the departure of these ships there still remains a limited market for the super-luxury cruise and Cunard's QE2 capitalised on this this year with *a world cruise, with fares* ranging from £4,500 up to £45,000, which produced a gross profit of about £1m.

In the medium-price market, the policy of such major U.K. operators as P & O, Union-Castle and Furness Withy is either to get rid of elderly cruise ships which are operationally expensive and which, in any case, were originally route passenger liners, or in some cases to replace them with custom-built modern cruise ships.

In May Union-Castle's remaining cruise-ship—the 21,000-ton Reina del Mar—was sold to Japan for scrap. With this attractive 19-year-old liner, which normally would have had a number of years service in her, it was found that rising fuel and labour costs have made her, and her older sister ships, extremely expensive.

For the same reason, Shaw Savill, part of the Furness Withy group, in June withdrew from service the elderly and expensive Ocean Monarch, a 24,000-ton liner, while P & O withdrew in September the 24-year-old Oronsay.

P & O, however, has made it clear that it is not withdrawing from the cruising field. This year, for example, it has *bought a four-year-old purpose*-built 20,000-ton cruise liner, the Sea Venture—to be renamed Pacific Princess—which is a sister ship to the Island Princess, also purchased last year by the group.

British ships have provided U.K. holidaymakers this year with nearly 90,000 berths, with the remainder provided by non-British vessels. Scandinavian vessels, of course, have long been popular for cruises from the U.K. but a growing portion of the market is being won by Russian vessels operating out of Southampton with Furness Withy acting as agents for Baltic Shipping which, over the past four years, has acquired a good reputation for value from British holidaymakers.

James McDonald

Plans to lower air fares

PLANS for a new, ultra-cheap fare for the North Atlantic air route that would be suitable for "bulk sale" to tour organisers are now being discussed by the scheduled airlines of the International Air Transport Association. If current thinking comes to fruition, this fare would be cheaper than even the present cheapest scheduled airline rate—the Advanced Purchase Excursion (APEX) return rate, and would probably be at or even below the level of the Advanced Booking Charter (ABC) rates which have become widely popular as a means of travelling across the North Atlantic. Thus, it would take the form almost of a "fourth class" of scheduled airline fare, below the existing first, economy and APEX/ABC rates. It would not be sold directly to the general public, but would be made available in bulk to agents for building into inclusive tour "package" holidays.

The fact that the scheduled airlines can seriously sit down at their fares conferences and even begin to discuss such a development at a time when many other fares have to be raised because of soaring costs throughout their business, and especially of fuel (which now costs on average three times what it did in 1973 and accounts for about one-third of total operating costs), is a reflection of how significant the trend towards low-cost travel has become within the past few years.

Comfort

Low-cost travel is not a new phenomenon to the airlines, and especially to the scheduled operators within the IATA, the world-wide body of 112 airlines. Contrary to some beliefs, the members of IATA themselves have frequently proposed new, innovative breakthroughs towards low-cost travel, especially for example with the introduction of the original tourist-class fare, then the economy-class with its smaller (and less comfortable) seat on long-haul routes, with the APEX-type of fare coming more recently. With the advent on long-haul routes of the bigger wide-bodied airliners such as the Boeing 747 Jumbo jet, the Lockheed TriStar and the McDonnell Douglas DC-10, it became possible for the scheduled airlines to improve the quality of all classes of travel. Seats became more comfortable, and even in the economy-class sections airlines were able to restore some of the comfort to the journey that had been lost in the more confined cabins of the conventional "narrow-bodies," not only by giving back a wider and better designed seat but also making it possible *for passengers to move around* much more during flight. Subsequently, economic pressures and growing demand for lower fares have forced some of the scheduled airlines to take back once again some of this improved standard of comfort, and where they have installed ten-abreast seating in the wide-bodied jets the conditions of travel have deteriorated as the cheap fares have arrived.

On the short-haul routes, the innovative ideas for low-fares developed rapidly, especially in Western Europe. It is on these routes that the concept of the "inclusive tour" or "package holiday" was first introduced in the early 1950s, whereby a passenger paid one inclusive price for air fare, hotel and ground transport, the total cost often not amounting to much more than the normal scheduled air fare. The spread of the IT operation on short-haul routes in Western Europe has subsequently been such that for many of the holiday destinations in the Mediterranean area the volume of charter flights heavily outweighs the number of scheduled service operations while to some destinations scheduled services have even been discontinued.

The growth of the IT-type of travel was slower on the long-haul routes, although it has begun to spread much more rapidly in recent years. On those longer-hauls, IT travel has had the competition from the APEX and ABC rates, but it is possible now that the adoption by the U.S. of the "One-Stop Inclusive Tour Charter," or OTC as it is called, will ensure an even more rapid development of ultra-cheap travel.

It is partly to meet the threat of competition from these OTCs that the North Atlantic scheduled airlines are now considering their new cheap air fare. It is also due, however, to the rapid growth of the charter airlines in the past few years, with their undoubtedly severe competition in the low-fare long-haul market, and especially across the North Atlantic. For a period in the late 1960s and early 1970s, the charter operators were a serious threat to the scheduled airlines, making significant inroads into the market; although it is also fair to stress that they did generate substantial new traffic of their own by offering fares that the scheduled airlines could not meet. Indeed, it was largely due to the stimulus of charter competition that the scheduled carriers were obliged to introduce the APEX fare itself, while carriers such as British Airways, with cabotage routes outside the rules of the IATA, were able even earlier to offer cheap rates under the "Early-bird" label.

The continued competition from the independent charter operators (also called "supplementals" or "private" airlines) in generating new low-fare markets is still one of the biggest stimuli to traffic growth on the long-haul air routes, despite the efforts of the scheduled airlines to match that competition with charter sidelines (sometimes quite substantial) and cheap fares of their own. *While the scheduled airlines* frequently still complain of the charter competition, there is little doubt that it keeps them on their mettle, and forces a continued high level of innovative thinking. For this reason alone, there must continue to be a place in the airline pattern for the independent airline operators, on both long and short-haul air routes.

Uneasy

But the charter airlines remain uneasy bedfellows with the scheduled operators, and so far no Government has found a satisfactory way of dividing the market between them. That there is also a strong market for low-fare travel on many routes world-wide where the volume of charter activities is small is indicated by the difficulties the scheduled airlines are having in eliminating the illegal "discount" or cut-price ticket market, that is costing several hundreds of millions of pounds in lost revenue a year. What *seems clear is* that even if the scheduled airlines do succeed in their own "Operation Clean-up" which is currently under way, they will have to agree to a substantial increase in the volume of charter activities on those routes or invent new cheap fares to meet the burgeoning markets of the future.

Michael Donne
Aerospace Correspondent

Foreign visitors

IT IS IRONIC that the decline of the pound internationally—which is a reflection of the decline of Britain as seen from the outside—makes this country a more attractive place for foreign visitors. While Britain is marked down on the international balance sheet, more and more people want to visit it.

The pound's decline affects the native tourist industry in two ways: it makes Britain a more attractive place in money terms, even against a background of rapid inflation, and it deters Britons from taking their pounds abroad to spend. For this industry at least the balance of payments is in a healthy condition and would seem, at least in the short term, likely to improve.

The outcome will depend on two factors—the ability to go on attracting the large number of overseas visitors received in the past few years and if possible to increase that number and to ensure that the facilities for those tourists are constantly improved and updated. The industry must also intensify its efforts in getting Britons to holiday at home, which will enhance the payments balance position even more. All this must be set against the fight against inflation to make sure that Britain does not price itself out of the overseas visitor's pocket.

Tourism in Britain is very big business. It is estimated that 1½m. people are employed directly or indirectly in the industries which make up the tourist trade. There has been tremendous investment and growth in the industry over the past six years particularly. Latest figures estimate that in that time British Airways has invested £380m., British Airports Authority £60m., the hotel industry £340m., helped by the hotel development incentive scheme to the tune of £56m. in Government grants. There was about £100m. spent on cross-Channel ferries. Millions of pounds more which cannot be calculated were spent on individual projects and through Government investment in the industry.

So far it seems to have been a record of successful investment paying dividends to the country. Its growth and success as a foreign currency earner are best reflected in the number of foreign visitors arriving in the past year. Figures published recently by the British Tourist Authority show that in the 12 months ending March this year nearly 8m. visitors came to Britain.

Earnings

Although this was only a 3 per cent. increase on the numbers for the preceding year the amount of money spent in Britain or paid to British carriers increased from £873m. to over £1bn. These earnings now represent 11 per cent. of all invisible exports and 4 per cent. of total exports. This is more than the amount earned by textile or iron and steel exports and represents enough money to pay for one-third of all imported food or oil.

The figures are less impressive when taken in conjunction with what we ourselves spend on foreign holidays and business trips. Nevertheless, the number of people travelling overseas from Britain last year fell from about 11¼m. to about 10¾m. The surplus on the travel account for the year amounted to £181m. or well over £3m. a week in Britain's favour.

In to-day's economic circumstances £3m. a week "profit" is not to be sneezed at when the rest of the trading situation is looking rather bleak. This profit earning industry must be nurtured and encouraged to grow.

As far as the influx of overseas visitors is concerned, the BTA is optimistic about performance for the current year. Early returns show an increase in the number of visitors and the BTA says that it will be disappointed if the year does not show a revenue of at least £1.3bn.

This is particularly encouraging for Britain at the present time and in the light of the tourist trade internationally. The oil crisis produced a world-wide decrease in tourist business. Many countries showed a drop in the number of overseas visitors. The drop in Spain, the favourite sunshine holiday venue for most other Europeans, was 12 per cent. Britain was, therefore, lucky in being able to increase the number of visitors slightly and maintain a greater proportional increase in their spending.

The great disappointment has been the fall-off in the number of American visitors, traditionally our best customers. This was due to economic problems in America similar to our own. But the signs are that the Americans are starting to trickle back to the country, which for many of them has strong sentimental connections.

The success of the travel industry in this country over the past few years is in no small measure due to the reorganisation of the industry following the Development of Tourism Act in 1974. Before that the industry led a rather hand-to-mouth existence, increasing its turnover but without any central organisation to co-ordinate policy.

Finance

The Act set up the BTA, with separate organisations for the four countries making up the U.K. and within England sub-divisions to promote tourism locally. Finance was provided to promote the industry in much the same way as for other industries.

This system is still with us. The question is whether it is working as well as it might. There were many in the business who at the time said that the regional and sub-regional systems would not work: they would be counter-productive and cost a lot of money.

Now there is hardly a voice to be heard decrying the system. Too often in the past tourist activity in Britain has been concentrated in the better known areas—London and such internationally famous places as Stratford-on-Avon. The idea in recent years has been to show visitors the rest of Britain. It has also been aimed at getting visitors into the country at times other than the high summer season. On both accounts it can be seen to have worked. So much so that in the BTA's annual report the chairman, Sir Alexander Glen, expressed the hope that the capital city will not in future be sold short.

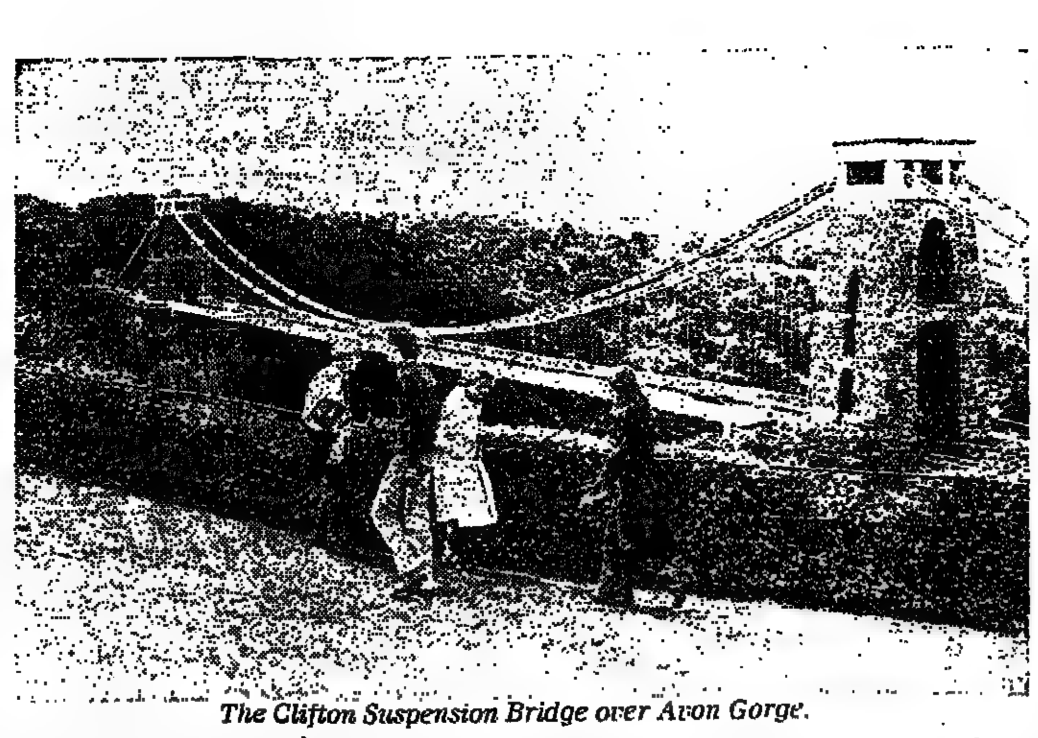
Perhaps the success of the regional system is that it concentrates very much on self-help in the regions. There are government moneys available for promotion but in many cases only if they are matched by local effort. This is made up from contributions from the local authority and those who make up and benefit from the tourist trade.

The one main danger for the future is that the trade and the Government might not see eye to eye about the priorities for the industry. Last year the Government laid down its guidelines and since then there has existed a dialogue between the two sides.

It could be that the Government might mix up its aims on regional development generally and those of the tourist trade in particular. It is a question of being able to lead a tourist to water but not being able to make him drink.

Most tourists, when they come to this country, know what they want to see. Those who invest in the industry — the hoteliers, restaurateurs and the like—will follow the tourist and not the other way about. The attempt to promote the less well known regions must be tempered with a sense of realism about what the customer really wants.

Joe Rennison



The Clifton Suspension Bridge over Avon Gorge.

Car hire

THE MOST prominent feature of the British car hire business in the past 12 months has been the pruning of the Hertz empire. From well over 100 outlets, the company has cut down to about 70 in Britain, shedding well over 200 staff on the way. It would be tempting to assume that this was just one more sign of another business in decline, but in fact Hertz's problems seem to have proved an exception rather than the rule.

There is no doubt that Britain's economic troubles have had their effects on the pattern of car hire business. But at the same time the drop in the general level of economic demand has not created an overall depression in the industry. For example, one of the results of the slump in the pound has been that Britain this year has attracted a fairly high number of tourists, and for certain car hire companies this has paid off.

Certainly, apart from Hertz none of the large U.K. hire companies has suffered a major contraction over the past 12 months, and Avis, which used to pride itself on "trying harder" from the position of number two, has continued its steady growth to establish itself firmly at the top alongside Godfrey Davis, which in terms of its total hiring business, including commercial vehicles as well as cars, is the largest concern in Britain, with 13,000 vehicles.

Although the pecking order at the top has changed, the big four names still appear to be firmly entrenched. Both Godfrey Davis and Avis have roughly 6,000 self-drive cars in their peak period during the summer, going down to 4,000 at less busy times of the year. In terms of sheer size Godfrey Davis has the edge by virtue of its 227 depots (70 at railway stations), against Avis' 70. Hertz, after its pruning operation, now has some 2,500 cars, and Budget-Rent-a-Car can boast some 130 locations.

After these follow companies like Swan National, with about 70 locations, which has been building up significantly, Kennings, and a host of smaller groups. In total the British car hire fleet is reckoned to number about 50,000.

Growth

The prospects for healthy growth, while being treated cautiously by the large companies over the next 12-month period, are unquestionably there in the long term. By American standards, car hire facilities are still underused in the U.K.: it is reckoned that about 4 per cent. of the population used car hire against 7 per cent. in the U.S. And in the business sector of the market several car hire companies are prepared to argue that the inflation of car and petrol prices could work in their favour in the long term.

It is too early as yet to gauge the validity of this argument. Some forms of business travel have undoubtedly been cut back this year, merely because of the effects of the recession, and the natural desire of companies to reduce costs. But some of the car hire concerns argue that as the trimming occurs within the company-owned fleets, there will be more business for themselves, to cope with the peaks of demand when companies do not have enough spare vehicles within their fleets. Several large companies already spend £100,000 a year on car hire.

The business sector of the market—as opposed to tourist or private hire—is clearly the most significant. According to one market survey, only about 500,000 of the 2m. people who rent a car annually in the U.K. are regular users, taking out a car from seven to ten times a year. Of these, 90 per cent. are businessmen. So clearly, in terms of establishing a strong marketing base, the business sector is extremely important, as against the 1.5m. people who hire spasmodically at holiday time.

The difficulty of tackling the business market is that it is by no means homogeneous. One significant target is the international businessman, another the traveller within the U.K. who needs a vehicle to link up with rail journeys, and yet another, the executive in a company which keeps a tight grip on company cars and therefore may not have one available when he wants one.

The way that the British industry has developed has meant that the car hire concerns have tended to concentrate on specific aspects of the market. For example, both Hertz and Avis are concentrated on airport depots, with their advertising and services aimed specifically at the international executive who has little time to spare, and who looks at flexibility and convenience rather than price. Hence both companies—unlike almost all their rivals—offer the one-way hire service, where a vehicle collected in one part of the country can be returned in another.

Budget Rent-a-Car, on the other hand, is much more closely aligned with the needs of domestic business. This sector of the market, says the company, has grown this year against a virtually static private hire business. Budget has expanded its sales team to pull in more company business. It argues that there has already been a considerable cut back in company fleets over the past year, and as this has occurred they are tending to use hire cars to cover their own inadequacies.

Godfrey Davis, with its immense strength on the railway side, and with services like Fly Drive, has also concentrated on the domestic company market rather than international business. Its view of the future is not as sanguine as Budget's, partly because its prediction for the winter months is a period of very low activity, partly because, despite a relatively good first six months, it believes that businessmen are not travelling or spending as much.

Avis, which has continued to consolidate its grip on the U.K. market, believes that one of its strengths in the past year has been the tourist business.

All these companies are likely to continue to concentrate on the specific sectors of the market they have managed to carve out already. Avis, for example, has added to its up-market appeal by launching its luxury car service, supplying Rolls-Royces, Jensens and Ferraris, and says this is going well.

Priority

Hertz, say its rivals, continues to be a strong competitor in the international business which it was the first to exploit, and is probably the fitter for its slimming operation. This has affected not only the U.K. side, but most of its European business, where one criticism has been the rate of its expansion: financial recovery, the company said recently, is now well under way.

The more locally based companies like Budget will clearly have to place a priority on developing contacts with domestic businesses. Budget, for example, is looking hard at present at the package tour business, where by linking with a hotel chain it could offer full hotel facilities plus a car.

In the longer term it is considering even more radical ventures, such as self-drive, self-service electric cars for city centres, which, it believes, will be brought in swiftly as the effects of increased oil prices sink in. With the ownership of cars becoming so expensive, and car hire companies able to achieve great economies of sale and use in comparison with the private owner, there should be plenty of opportunities for expansion in the business over the next decade.

Terry Dodsworth

Arranging foreign holiday cash

ONE OF the ways that shipping lines amuse their passengers is by offering gambling facilities. These facilities may make an extra profit for the company or go all or part of the way to covering a loss.

For the passenger, they mean that when the children are asleep, there is something more exotic to do than watching the going movie. Banks in these days of floating exchange rates may find themselves in a broadly similar position.

Go to Spain, the bank might say! Go for the sun and the casinos! But before you go, or while you are there, have a little flutter on the exchange rate! Perhaps no bank is going, in reality, to say any such thing, but when sterling can jump about by 1 per cent. or more in a day, travellers may be tempted to have a flutter.

Exchange

This may be unobjectionable, if amusement rather than financial gain is the object. Long-term predictions of exchange rates are difficult, as the case in Lugano demonstrates. Even the professionals can find themselves in hot water.

For the traveller making short-term assessments of the course of exchange rates, which can often be more difficult than making long-term, there are no practical rules except that by and large—and with the purchase of amusement excepted—the game is not worth the candle.

Travellers should ensure their foreign currency requirements, in general, before they depart for the sun or for the bourses. The only basic question is what permutations of the various foreign money forms to use, and what amount to take in foreign currency—remembering always that in the case of unexpected needs, it is possible to use sterling on the Continent.

Sterling, it must immediately be pointed out, means in this context no more than £25—without prior approval—in Bank of England notes (or Scottish notes, perhaps it should be said). Exchange control regulations limit the amount of sterling banknotes a traveller can take out to this amount. Coins may be taken out in addition—but perhaps the replacing of trouser pockets is a costly business.

Ignorance of the exchange control regulation on the banknote point can also be a costly business — as travellers who have found their excess sums confiscated have realised to their dismay.

The most convenient way to take money abroad is to buy foreign currency notes in this country before departure. U.K. regulations allow up to £300 to be taken out without formality, more with formality. A note of caution must, however, be sounded on this point. Many countries abroad impose limits on the amounts of their own currency notes that travellers can take in or take out.

Banks here will provide travellers with information on local regulations abroad. This information serves two purposes. On the one hand, it prevents embarrassment at customs posts overseas, on the other it suggests where it may be possible to find a bargain rate of exchange.

In cases where there is restriction on imports and exports of local notes, it may be possible to buy such notes in London at rates markedly more favourable than the standard exchange rate (such as applies to travellers' cheques). Larger denominations of such notes, in particular, may be relatively cheap, even where notes of the denomination concerned are within the overseas country's import limits.

Such advantages do not offer themselves in the case of the major European countries, but are to be found in a number of other cases.

Because bargains of this kind are associated through their nature with limited amounts, the overall saving offered by them to travellers will generally be small. But when every penny counts, it is a gift horse not to be ignored.

The main advantage of buying currency notes before departure, nevertheless, is convenience. It is convenient to arrive in a foreign country, possibly late at night, or at least when the banks are closed, and have the currency of the country in your pocket. It is worth having some foreign coin as well, for tips and so on.

For the strong-nerved, it may be sufficient to take all foreign money requirements in the note (plus some coin) form. The disadvantage of taking large sums in this way is clear, however. There is the possibility of loss. This makes the amount taken in notes a highly individual matter.

Some money, however, almost certainly should be taken in note form. Next should come travellers' cheques expressed in foreign currency. These cost 1 per cent. (of the amount concerned) to buy. They have the same advantage as a purchase of foreign currency notes in settling the sterling cost before departure. They have a major advantage not possessed by notes, however, in that in many cases they will be replaced by the issuing bank should they be lost. Loss, clearly, may mean temporary inconvenience, but it need not mean ultimate loss in a financial sense.

Care should be taken in the matter of travellers' cheques, nevertheless, since the rules governing them vary from bank to bank and currency to currency. Dollar cheques, for instance, are available in the most convenient and safe form available.

If they are lost or stolen, they can be quickly replaceable. But cheques in some other currencies may be less quickly replaceable, even if the ultimate safety remains. There may be complicated processes to be undergone, and there may be a waiting period before replacement. Just as it is worthwhile checking on note import/export regulations, it is worth reading the small print in the travellers' cheque context.

Sterling-denominated travellers' cheques may be seen as a third line. These have the advantage that it is possible to carry substantial amounts of (relatively) readily acceptable money around in a safe form. But such cheques leave the traveller open to the vagaries of foreign exchange rate fluctuations. In the ordinary way, there may be little force in this consideration—the pound does not every day move by 1 per cent.—but those who have found themselves abroad at a time of sterling crisis will readily understand the problem that sterling crisis can offer.

Various possibilities may have their various advantages for longer-stay travellers. These include letters of credit and bankers' drafts. But things such as this need play no part in the ordinary short-term visitors' range.

There are, however, two particular facilities to be noted. These are the cheque card and the credit card.

Credit cards represent part of the movement towards the cashless society, which may not always be a bankers' fiction. Meals, hotel bills, shopping, petrol and the whole host of things obtainable through the use of the card in this country can also be obtained abroad. There is no prior safeguard against exchange rate fluctuations in the case of the credit card, but it does allow the convenience of not forcing the traveller to burn midnight oil in the attempt to forecast his foreign currency needs to the last centime.

The cheque card also fills this role. The ordinary check card in use in this country is also usable on the Continent. Furthermore, it can be used to draw amounts greater than £30 (the limit on one drawing at a U.K. bank on any one day if no telephone call to the cardholder's bank is brought into play.

Donald Maclean

Hoteliers in more confident mood

THE NUMBER of hotels at present in receivership is testimony to the high risk involved in any leisure business. The bulk are in London, many of them in the luxury class, for the capital saw the more extreme examples of a hotel-building craze which was part of the general property boom of the early 1970s, spurred on by the Government's £1,000-a-room building subsidy. But several regional centres also had their number of hotel rooms increased by up to 50 per cent. With inflation cutting margins and recession threatening occupancy rates, the cause of many failures is now obvious.

But talking to major hotel groups, the survivors of this storm, you now get a surprising report of the London hotel market. What has surprised the owners most is the strength of the high-price market, particularly in the last two months (few would have forecast the Grosvenor House being full three nights in one week in October, even a Motor Show week).

Outside London, apart from both groups and single owners benefiting from the record summer, particularly on drink sales, the report from groups who have made a big marketing effort both for mid-week conference business and particularly for family week-end and Christmas breaks, is of sales substantially up on last year. Some of these groups are, like other retailers, wondering just when the recession will bite into personal spending. Not until after Christmas, at least, seems to be the answer.

So a year which started with a fairly uniform pessimism among hoteliers, faced with rising cost, expensive legislation, increased competition and an uncertain spending climate, has turned out to be a much better one than most hoped for. But the chairman of the British Hotels, Restaurants and Caterers Association, Sir Charles Forte, was doing more than a little special pleading when he gave a worried address to the association's annual meeting.

Precautions

The gains from more foreign tourists, largely based on the weakness of sterling, were being more than offset by rising costs, he said. He was particularly worried by the implementation of the Fire Precautions Act, which the industry welcomed in principle, but which presented it with a £100m. problem, the equivalent of 10 per cent. of the industry's annual turnover. Certainly this Act has been responsible for many of the 1,200 recent hotel closures, most of them being small establishments.

And Sir Charles summed up by saying there was a limit to what customers were prepared to pay for hotels. "I think we have reached that barrier and crossed it already."

Perhaps he was attributing more thrift to customers than they really show. In his own group, the first half gross trading profit showed a 10 per cent. increase on last year, though increased interest charges produced a near £1m. loss against a £1.5m. profit.

With the first half-year ending in April, Trust Houses Forte always relies on the second half-year to bring in the profits, but what its results show clearly is that despite making few working capital demands ("being largely a cash business, our cash flow is healthy" the chairman pointed out) hotels are just as vulnerable as property companies to the trend of interest charges.

The trend of hotel company financing has, in practice, been allowed to develop very much on property company lines, so that a survey of 13 leading companies throws up six with borrowings in excess of shareholders' funds and nine with current liabilities in excess of current assets. After the lean year of 1974, 1975 is the chance for the industry, through higher profits and lower interest rates, to get its return on investment above the level of financing charges.

But behind those figures from THF, for instance, lies a story of occupancy levels up from 57 per cent. to 60 for the U.K. as a whole, and an impressive gain from 61 per cent. to 67 for the 80-strong Post House chain.

Grand Metropolitan has, with a different and smaller mix of hotels, long been able to get much higher occupancy averages, up into the 80-90 per cent. range. It says that this year it has seen slightly increased occupancy averages overall, with a feature being that its luxury London hotels, the May Fair, Britannia and Europa, starting the year rather down on previous averages, but picking up strongly from the spring onwards.

Where the extra market at the top end of the trade comes from, given the generally agreed decline in the numbers of wealthy Americans (and problems for the Savoy), is a question to which each group, and different hotels within the groups, have different answers. But a common theme is that the Middle East trade, while still small in overall terms, has been steadily growing among London luxury hotels. Further down the London market, and on the "milk-run" Stratford-Oxford-Cambridge route and some other regional holiday centres, Europeans have provided the biggest increases.

Occupancy

Perhaps the mixed financial picture for the year is most neatly illustrated by the Lex Group, which has only two hotels in Britain, the Carlton Tower and the Heathrow. At the Carlton Tower, it has fully exploited the strong market for luxury London hotels, with occupancy averaging 74.8 per cent. against last year's 62.3 per cent. and a peak of 93·7 per cent. in July. But at London Airport, one of the most glaring examples of hotel oversupply, it could only manage to cut a pre-interest loss of £245,000 in the first three months of the year down to a loss of £112,000 in the next three months.

This is a clear example of the strength of an older investment against the doubtful value of many of the more recently developed hotels. Similarly, THF's decision to modernise Grosvenor House and extend the Post House chain rather than build or buy any new major hotels must now be seen as canny. One of the exceptions to the rule may be Ladbroke, but largely because it began hotel operations outside London, only getting into the capital, in conjunction with the American Ramada Inn chain, when it could buy on favourable post-boom terms.

Even the remarkably consistent record of Centre Hotels (Cranston) has lately been dented by reduced profits, the hope being that margins can be suitably restored in 1976. Two uncertainties which that year offers at present to the industry is how far the anticipated increase of food costs, especially vegetable costs, will affect the overall hotel profitability (probably little, the food and beverages section providing only around a third of most hotels' turnover); and how far the business travel market will stand up to another year when it is supposed to be recognising recession but continually shows few signs of reduced spending. Most hoteliers, however, are facing the next six months with more confidence than at this time last year.

Quentin Guirdham

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Off further 10.3 in sluggish trading

BY OUR WALL STREET CORRESPONDENT

PRICES AGAIN headed lower in sluggish trading on Wall Street to-day, when investors, already wary about effects of the expected New York City debt collapse, awaited a Presidential News Conference on the Administration shake-up.

The Dow Jones Industrial Average further declined 10.32 to 825.72 and the NYSE All Common Index gave way 49 cents to $46.56, while losses outpaced gains by more than a two-to-one majority. Turnover was light at 11.4m. (12.91m.) shares, as many investors stepped to the sidelines ahead of to-morrow's Election Day holiday, for which Banks and many of the nation's businesses will close.

The Stock Market also showed effects of uncertainty about what the expected financial collapse of New York City will mean for Securities Markets and the U.S. economy generally. While Congress continued to work on an assistance plan, few analysts expected the City to be able to avert its impending default.

In its wariness, the Stock Market ignored a spreading ½ point prime rate cut, to 7½ per cent., the second such cut by major banks in a little over a week.

Xerox lost $1½ to $54¾—it will lay off about 500 salaried workers this month as part of a cost-reduction effort.

Boeing sagged $¾ to $26¾ on "flat" per share earnings for the third quarter.

Homestake Mining declined $1½ to $36½ on lower quarterly results Friday.

MC Louth Steel, however, climbed $2½ to $15½ on Blue Diamond plans to increase its stake in the steel firm.

MCA dipped $1¼ to $75½, despite higher third-quarter profits.

Standard Brands Paint lost $1½ to $42½—the Retail Clerks Union rejected its offer for a new labour contract.

Electronic Data Systems fell $1½ to $13½ on little change September quarter net.

Dana shed $1 to $22½, Otis Elevator rose $1½ to $38½ while United Technologies slipped $3½ to $49. Otis and Dana called off merger talks, leaving United Technologies seeking a take-over of Otis.

The American SE Market Value index was down 0.14 to 82.65, with declines outnumbering advances by 346 to 229.

OTHER MARKETS

Canada mixed

Minor strength evaporated on Canadian Stock Markets yesterday and the close was mixed to lower in light trading.

Rothmans of Pall Mall Canada Preferred "A" added $2 at $66, however, while Dome Petroleum gained $1 to $33, Numac Oil and Gas shed $¾ to $9½, but Canadian Occidental rose $½ to $16.

Dupont of Canada eased $½ to $17 on its lower third quarter results.

PARIS—Generally lower in the absence of positive factors and at the start of a week in which some Public Sectors will strike.

Motors and Stores eased, while other sectors generally fell more heavily.

Among Foreign stocks, Petrofina fell in Oils, while Golds and Coppers dropped. Germans gained ground but American and Dutch issues were mixed.

BRUSSELS—Slightly lower in quiet account-day trading.

Electrobel, Hainaut-Sambre, Clabecq and Geomines were each higher, but CBR, Gevaert, Hoboken, GB-Inno-BM, St. Roch and Cockerill were each lower.

U.K., U.S. and German stocks were generally lower, while Gold Mines, Dutch and French issues were little changed.

AMSTERDAM—Shares eased in featureless trading.

Hoogovens, off Fls.1 at 52, led falls among Dutch Internationals.

Van Ommeren declined Fls.2 to 228, Heineken Fls.2.9 to 146 and OCE Fls.2.5 to 157.5.

Shippings were mixed.

State Loans were firmer.

OSLO—Bankings and Industrials were easier, while Shippings and Insurances were quiet.

VIENNA—Steady to slightly higher.

COPENHAGEN — Generally higher in fair trading. Industrials were mixed with a firmer undertone.

SWITZERLAND—Prices fluctuated narrowly, with a resistant undertone in light trading.

Major Banks were generally very steady. Kreditanstalt edged higher—it is considering increasing its capital. Financials were narrowly mixed.

Bally eased, while Schindler Bearer rose. Insurances closed little changed. Nestle Registered were firmer in otherwise narrowly mixed Industrials. Alusuisse and Jelmoli each drifted lower.

State Bonds remained quietly steady.

NEW YORK, Nov. 3.

Dollar stocks were narrowly irregular, Dutch Internationals barely steady, while Germans fluctuated slightly with a firmer undertone.

GERMANY—Mixed to firm.

In Stores, Karstadt rose DM1 to DM459—its figures for the first nine months of 1975 are "slightly better than a year ago." Kaufhof added DM3 at DM281.

Among Motors, BMW moved up DM2.50 to DM234 and Daimler advanced DM5 to DM339.2, but VW lost DM0.70 on profit-taking.

Chemicals met demand, with BASF up DM2.60 at DM141, Bayer DM1.60 at DM117 and Hoechst DM2.30 at DM138.

Electricals and Steels were little changed. Engineerings shed up to DM2.50.

Domestic Bonds were mixed in very thin trading. Mark Foreign Loans were well maintained.

MILAN—Firmer over a broad front on increased investor demand.

All leading Industrials and Financials gained ground.

Bonds were quietly resistant.

HONG KONG—Slightly down in dull and featureless trading. There was a complete absence of buying interest or market factors.

Wheelock shed 7 cents to $HK3.35.

AUSTRALIA—Markets eased in lifeless trading.

In Minings, Poseidon dropped 15 cents to $A1.40, its lowest since the peak of the nickel boom in early 1970, when it reached nearly $A300. Peko-Wallsend shed 3 cents to $A4 but Pancontinental firmed 8 cents to $A6.80. MIM eased 5 cents to $A1.90.

BHP dipped 8 cents to $A6.78 and CSR were lowered 15 cents to $A3.95.

Bank of NSW lost 10 cents to $A6.20, despite record profits.

JOHANNESBURG—Gold shares were slightly easier in quiet trading, despite the marginal increase in the Gold fixing. Trading was generally in "marginal" and "speculative" shares, with prices down 5 to 10 cents.

Financial Minings were fractionally lower in line with Producers. Platinums were a few cents off, while Coppers were little changed.

Industrials were a shade firmer.

FALCONBRIDGE STRIKE SETTLED

SUDBURY, Ont. Nov. 3.

The Canadian Mine, Mill and Smelter Workers' Union said its members ratified by a wide margin the new contract announced last week with Falconbridge Nickel Mines ending the 10-week strike by 3,500 workers in the Sudbury area.

Reuter

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Nov. 3	68.67	166.26	825.72	82.31	11,400
Oct. 31	68.58	166.55	836.04	82.65	12,910
30	68.55	166.87	839.42	81.96	15,020
29	68.46	166.23	838.83	82.02	16,110
28	68.51	166.54	851.46	82.68	17,060
27	68.35	166.75	838.48	82.44	13,100
24	68.34	166.52	840.52	82.47	15,130
23	68.37	168.12	855.16	82.89	17,800
22	68.34	167.51	849.67	82.79	16,060
21	68.16	168.02	846.82	82.69	20,800
20	68.14	166.71	842.25	82.12	13,250
17	67.96	164.56	832.18	82.31	16,660
16	68.09	165.52	837.66	82.31	18,910
15	68.05	166.53	837.22	81.86	14,440
14	67.94	167.23	836.26	81.61	19,960
13	67.86	165.15	837.77	81.19	12,020
10	67.72	163.06	825.91	80.39	14,680
1975 High	83.92 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 31	Oct. 24	Nov. 1 1974
4.59	4.56	5.71

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Nov. 3	Oct. 31	Oct. 30	Oct. 29	Oct. 28
51.24 (15/7)	37.06 (2/1)	46.56	47.05	47.18	47.26	47.29

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,803	431	936	436

	Nov. 3	Oct. 31	Oct. 30	Oct. 29	Oct. 28
New Highs	16	25	25	28	40
" Lows	54	31	25	19	21

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Nov. 3	Oct. 31	Oct. 30	Oct. 29	Oct. 28
96.80 (15/7)	62.20 (2/1)	82.65	82.79	82.80	82.82	85.48

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 3	96.61	89.69
Oct. 31	99.74	89.04
30	100.08	89.31
29	100.19	89.39
28	101.47	90.51
27	100.52	89.73

* 425 Industrials. † 425 Industrials, 50 Utilities, 15 Rails.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Oct. 30	Oct. 23	Oct. 16
On Dividends	6.60	6.47	6.18
On Earnings	10.77	10.68	10.27

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

STOCK AND BOND YIELDS

HONG KONG INDEX

MONDAY'S ACTIVE STOCKS

SINGAPORE INDEX

EUROPE

TORONTO INDUSTRIAL INDEX

MONTREAL INDUSTRIAL INDEX

COMBINED INDEX

JOHANNESBURG

Investment premium based on $2.60 per £1—106½% (105½%).

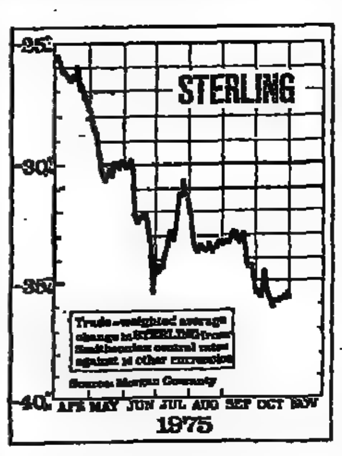
$ & £ decline

The U.S. dollar and sterling declined in the foreign exchange market yesterday. The dollar lost ground following the cut in prime lending rate to 7½ per cent. by First National City Bank on Friday. There was no evidence of further large support for the U.S. unit by European central banks and the West German authorities did not intervene when the dollar was fixed lower at DM2.5520 in Frankfurt. During the afternoon, however, the dollar showed a steadier trend in fairly quiet business. The Morgan Guaranty calculation for the dollar's trade-weighted average depreciation since the Washington Currency Agreement widened, at noon in New York, to 2.97 per cent. from 2.91 per cent.

Sterling began firmly but fell during the morning as a result of commercial selling. The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 29.2 per cent., from 29 per cent., after standing at 29.3 per cent. at noon and 29 per cent. in early dealings. Sterling's depreciation on the Morgan Guaranty basis widened to 35.78 per cent., from 35.44 per cent.

The pound began the day at $2.0800-2.0810 and touched a best level of $2.0810-2.0830, before easing to $2.0730-2.0740 around mid-day. Sterling closed at $2.0750-2.0760, a loss of 30 points on the day.

Gold gained $¼ to $142¾-143¾. The krugerrand finished at $147-$149 (£70¾-71¾) in the domestic and international markets. The coin's premium over its gold content widened slightly to 3.31 per cent., from 3.15 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to:	Nov. 3	Oct. 31
Sterling	0.572138	0.571268
U.S. dollar	1.18650	1.18578
Belgian franc	45.6417	45.6851
Deutsche mark	3.02795	3.02991
French franc	5.16053	—
Italian lira	798.248	786.052
Japanese yen	—	357.868
Dutch guilder	3.10744	3.10971
Swedish krona	5.14051	5.15814

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

Nov. 3 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10⅞-11⅛	5½-6	7-8	5¾-6	3¼-3½	1-1½
7 days notice	10⅞-11⅛	5⅝-6⅛	7½-8½	5¾-6	3¼-3½	1-1½
Month	11¼-11⅝	6-6⅛	8⅛-8⅜	5⅝-5⅞	4⅜-4½	1¼-1½
Three months	11⅞-12⅛	6⅝-7	8⅝-8⅞	5¼-5½	4⅛-4⅜	3⅛-3⅜
Six months	12⅛-12⅜	7¼-7⅝	8⅞-9¼	5¼-5½	4⅛-4⅜	3⅛-3⅜
One year	12⅛-12⅝	7¾-8¼	9⅛-9⅝	5⅞-6⅛	5⅜-5⅝	4¼-4½

Euro-French deposit rates short-term 6½-6¾ per cent.; seven days' notice 6½-6¾ per cent.; one month 6½-7 per cent.; three months 7½-7¾ per cent.; six months 7½-8½ per cent.; one year 8½-8¾ per cent.

Longer-term Eurodollar deposit: two years 8½-8⅝ per cent.; three years 8½-9¼ per cent.; four years 9½-9¾ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5 15/16-6 1/16 per cent.; three months 6¼-6⅜ per cent.; six months 7¼-7⅜ per cent.; one year 7¾-8 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 3 1975	Oct. 31 1975
Gold Bullion (a fine ounce)		
Close	$142¾-143¾	$142½-143½
Opening	$142½-143½	$143-144
Morning fixing	$143.0 (£68.882)	$143.4 (£69.075)
Afternoon fixing	$143.75 (£69.033)	$142.9 (£68.702)
Gold Coins (domestically)		
Krugerrand	$147-149 (£70¾-71¾)	$146½-148½ (£70½-71½)
New Sov'reigns	$45¾-47¾ (£22-23)	$45¾-47¾ (£22-23)
Old Sov'reigns	$45¾-47¾ (£22-23)	$45¾-47¾ (£22-23)
Gold Coins (Int'n'nally)		
Krugerrand	$147-149 (£70¾-71¾)	$146½-148½ (£70½-71½)
New Sov'reigns	$43½-44½ (£21-21½)	$43½-44½ (£21-21½)
Old Sov'reigns	$43½-44½ (£21-21½)	$43½-44½ (£21-21½)
$20 Eagles	$225-228	$223-226
$10 Eagles	$114-117	$113-115
$5 Eagles	$75-77	$73-75

FOREIGN EXCHANGES

Nov. 3 1975	Bank Rate %	Day's Spread	Close
New York	6	2.0725-2.0820	2.0750-2.0760
Montreal	8½	2.1060-2.1180	2.1085-2.1095
Am'st'dam	4½	5.42-5.46	5.44-5.45
Brussels	6	79.6-80.50	79.80-80.00
Copenh'gen	7½	12.33-12.39	12.35-12.36
Frankfurt	3½	5.28-5.32	5.28½-5.29½
Lisbon	6½	54.70-55.50	54.80-55.00
Madrid	7	122.10-122.60	122.20-122.40
Milan	6	1,394-1,401	1,395-1,397
Oslo	5	11.28-11.36	11.31½-11.32½
Paris	8	9.01-9.06	9.04-9.05
Stockholm	6	8.98-9.03	9.00-9.01

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY ♦

Nov. 3	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	87.8	+0.7	—	—
Allianz Versich.	466		17	1.8
B.M.W.	234	+2.5	14	3.0
BASF	141	+2.6	17	6.0
Bayer	117	+1.6	17	6.8
Bayer Hypo.	309		18	2.8
Bayer Vereinsbk.	336.5	−2.5	18	2.6
Commerzbank	205.8	+1.1	18	4.3
Conti. Gummi	67.9	+0.9	—	—

MILAN

Nov. 3	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	815	+34	—	—
ANIC	723	+5.5	60	8.3
Assonia Ass.	3,950	+50	150	3.8
Bastogi	1,225	+18	70	5.7
Breda	2,749	+40	150	5.4
Burgo	11,460	+240	200	1.7
Centrali	7,525	−5	200	2.7
CIGA	1,250	+20	—	—
Cucirini	4,301	+26	250	5.8

AUSTRALIA

Nov. 3	Aust. $	+ or −
Acrow Australia	†0.66	.....
Adelaide Brighton Cent 50c	†0.95	.....
Allied Mnfg. Trdg. Indus $1	†1.64	−0.01
Ampol Exploration	†0.60	.....
Ampol Petroleum	†0.46	+0.02
Assoc. Minerals	†2.67	+0.07
Assoc. Pulp Paper $1	†0.80	.....
Aust. Cons Industries	†1.55	−0.02
Aust. Foundation Invest.	†0.75	.....
A.N.I.	†0.92	.....

JOHANNESBURG

PARIS

BRUSSELS

TOKYO ¶

AMSTERDAM

SWITZERLAND ♦

COPENHAGEN

STOCKHOLM

VIENNA

OSLO ♦

SPAIN ♥

FARMING AND RAW MATERIALS

Conditions on farms improve

By Peter Bullen

A CHEERFUL picture of conditions on farms in England and Wales was drawn by the Ministry of Agriculture's weekly report yesterday.

Livestock are in excellent condition and with grazing still available under dry conditions, the expected winter housing of stock has not taken place on any scale, it said. The cattle were still lying out on dry pastures and obtaining useful grazing.

"The fodder situation continues to improve except in those areas most affected by the summer drought," it added. "The fodder maize harvest is virtually complete and there has been more bulking in forage crops."

Last week's dry weather had enabled rapid progress with cultivations and sowings and the winter ploughing programme is well advanced. There have been problems on some heavy land in the Midlands and eastern England however.

Sowing of cereals is still well ahead of normal and a very large acreage of winter wheat and barley is expected. Germination is generally rapid and even, except in the driest conditions on heavy land. The only pests reported are slugs and leatherjackets in one or two areas.

On potatoes, the Ministry said conditions remain good and harvesting is nearing completion.

World grain crop forecast reduced

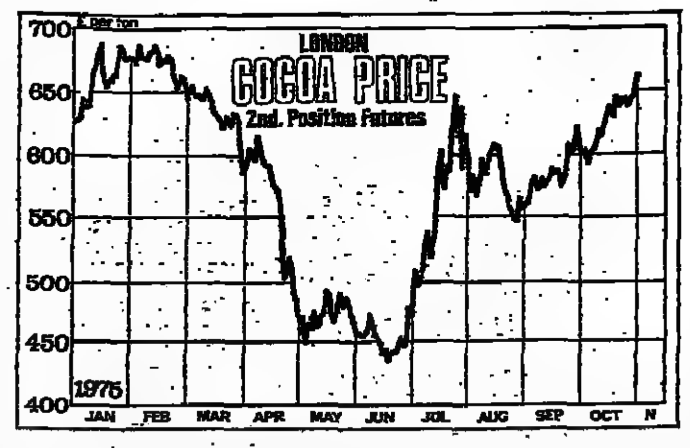
By Our Commodities Staff

THE U.S. Department of Agriculture has reduced its 1975-76 world wheat production estimate to 348.5m. tonnes from the 359m. projected early last month. The reduction is mainly due to the deterioration in the Soviet outlook which has led to a 10m. tonne cut to 75m. in the USDA's prediction for the USSR wheat crop. The remaining 500,000 tonnes decrease is attributed to the minor producing areas whose 700,000 tonnes reduction is offset by small forecast increases in the U.S. and Western Europe.

A similar pattern is indicated for feedgrains with the USSR again being the major contributor to a 2.5m. cut in forecast world output. In fact, had it not been for the 4m. tonnes reduction to 73m. tonnes in the USDA's Soviet crop estimate total predicted output would have shown a rise. The department now puts world feedgrain output in the 1975-76 season at 559.9m. tonnes.

Cocoa prices rise despite forecast of record crop

BY JOHN EDWARDS, COMMODITIES EDITOR



COCOA PRICES jumped to the highest level since February on the London futures market yesterday. The biggest gain was in the March position which rose by £15 to £662.75 a tonne, while there were smaller increases in other months, notably nearby December, which ended only £8.75 up at £697.25.

The rise in prices to new peaks came despite the prediction of a record world cocoa bean crop in 1975-76 by the Foreign Agriculture Service of the U.S. Department of Agriculture. Its initial forecast is that world cocoa bean output in the year from October 1975 to September 1976 would rise to 1,595,800 tonnes, 6 per cent. higher than the 1,509,600 tonnes produced in 1974-75.

West African production is expected to rise by 11 per cent. to 1,089,800 tonnes, with Ghana producing 412,000 tonnes against 375,000 tonnes previously; Nigeria 260,000 against 210,000; Ivory Coast 235,000 (233,000) and Cameroons 114,000 (110,000). Output in Brazil is shown as falling to 237,000 tonnes compared with the bumper crop of 263,000 tonnes last season.

The USDA forecast had little impact on prices, since it seems at considerable variance with general market opinion which in the past has proved to be far more accurate. It was felt that the situation in West Africa had changed considerably since the USDA report was formulated, and the predicted rise in Nigerian output in particular is thought to be way off target. There are also considerable doubts as to whether Brazilian output could be sustained at the level suggested, despite promising prospects for the main crop.

Speculative buying provided the main impetus yesterday, encouraged by the breakthrough of a chartist "buy" point in early trading. This interest, combined with some trade demand, was sufficient to offset selling pressure, but it was noticeable that the nearby December position was relatively weak, reflecting a fall in the premium prices being charged for physical shipments over futures values.

The Nigerian shipping situation remains poor, and Brazil last week had to set up sales quotas to try to ensure orderly conditions in hectic marketing conditions. It is estimated total sales by Brazil have now reached as high as 3,750,000 bags, more than last season's total figure, following a surge in trading activity since June.

At the higher price levels, however, there must be some apprehension about the impact on demand, still only just showing signs of recovery after the previous price boom.

Brazil sounds coffee warning

BY OUR COMMODITIES STAFF

BRAZIL WARNED other coffee producing countries yesterday not to expand output because of "transitory" shortages caused by frost damage to Brazilian crops.

Sr. Camilio Calazans, president of the Brazilian Coffee Institute, told the opening session of the International Coffee Council, at the start of a three-week session of negotiations on a new international agreement in London, that Brazil did not intend to abandon its position as a major world supplier because of the severe frosts it suffered in July.

The Brazilian Government has assigned about $1bn. for the recovery of coffee plantations and growers' response "justifies our conviction that we shall reach again a normal level of production, thus ensuring our traditional share in coffee exports," he said, according to Reuter reports.

"Those who may harbour doubts about our recovery—and might feel encouraged to make new plantings—will be embarking on a dangerous gamble, of questionable inspiration, with dramatic consequences for all producers," he added.

In order to avoid market uncertainty Brazil intended to make shortfall notifications to the International Coffee Organisation before the beginning of each of the next two coffee years (October-September 1976-77 and 1977-78), thus permitting the shortfalls to be distributed beforehand among producing members of the agreement. But the fall in Brazilian output was transistory and once this period was over, Brazil would fully regain its traditional share of the world coffee market, he predicted.

He also emphasised that the package of decisions reached at the last round of negotiations in July established the basic mechanisms of a new international agreement "which under no circumstances should be reopened now using the frost in Brazil as a pretext."

The outline of the new agreement reached in July, compared with the 1962 and 1968 pacts, clearly showed innovations which were meant to allay the concerns of importing countries.

These new elements covered the system of mixed quotas whereby an important part of producing countries' annual export quotas would be based on verified stocks, thus reducing, if not altogether eliminating, the alleged risk of quotas being made up of so-called paper coffee, he said.

● Coffee prices dropped sharply on the London terminal market yesterday for no fundamental reason. Early weakness attracted commission-house selling and many stop-loss orders which brought January Robustas to £713 a tonne at the close, down £19 on the day.

Commodity price boom threat

By Richard Mooney

THE NEXT economic upturn "could bring about a commodity price boom that would that 1973's experience seem modest," according to the First National Bank of Chicago.

An article published in the first issue of the bank's monthly World Report out yesterday argues that the last period of decision taking on new investment in the production of industrial raw materials was cut short when industrial confidence was "shattered" by the Arab-Israeli War and the ensuing oil supply restrictions.

"This means that less new capacity will come on stream in the second half of 1975 and 1976 than has been normal in comparable phases of earlier economic cycles," the article says. This absence of adequate new capacity implies that prices cannot decline much further. "However, there will be rather less capacity available to meet demand in the next boom so that supply problems may be expected to emerge at an earlier stage of the upswing."

Metal stocks surprises

By Our Commodities Staff

LONDON METAL Exchange dealers were taken by surprise yesterday by both the rise in warehouse copper stocks and the fall in tin stocks. However, neither had much effect on market trends and trading in all base metals was very quiet.

The 7,875 tonnes rise in copper stocks took the total to yet another record of 459,327 tonnes. Prices opened higher, encouraged by the firm closing tone in New York on Friday, and moved further ahead with the help of consumer buying in the morning. But an easier tone in the afternoon left cash wirebars £0.5 down on balance at £579.25 a tonne and three months only £0.5 higher at £601.25.

Dealers had expected tin stocks to be unchanged last week so the announcement of a 230 tonnes fall to 5,790 tonnes was seen as a mildly "bullish" influence. With some traders feeling the market might be a little oversold, prices moved cautiously higher, despite the absence of buffer stock buying, and cash tin ended the day £6.5 up at £3,021 a tonne.

Lead stocks rose 1,750 tonnes to 81,450 tonnes, while zinc stocks increased by 3,850 to 61,825—both in line with expectations. LME silver stocks rose 30,000 troy ounces to 17,110,000.

FERTILISER SUPPLIES

Kenya in gamble to cut import costs

BY OUR NAIROBI CORRESPONDENT

ALL DEVELOPING countries in the Third World feel something more than despair about farm input inflation. Export-earning cash crops are threatened and home food production is endangered at a time when the Third World is being urged to grow more. There are signs, in East Africa at any rate, that farmers will increasingly do without fertilisers as prices go up, meaning poorer crops. If this tendency grows intensive training given in modern farming methods will have been wasted.

Kenya, hit hard by escalating fertiliser costs, is taking a big and costly chance by supporting the establishment of a large fertiliser plant on home territory. Only very little liquid fertiliser is made in Kenya, and almost all fertilisers used have to be imported.

Kenya had talked of taking this step for a long time, even before the price of fertilisers rose so high, although moderate counsels prevailed. Experts said—and still do—that the plant would not pay, that almost as much foreign exchange would be spent on importing raw materials as was being spent on importing the finished article. All Kenya has got is raw ammonia.

Coffee crop

But fertiliser prices have risen so steeply that high Government subsidies have been necessary to keep farmers using fertilisers, especially the small African farmers now being encouraged to grow more food. The Government has now been persuaded that it would be cheaper in the long run to invest heavily (up to K£10m.) in a plant now under construction at Mombasa.

The plant is to cost K£19m. and is planned to have a capacity of 240,000 tons a year of mainly nitrogenous and NPK compounds. An American-based company, the N-Ren Corporation of Cincinatti, is to construct and run the plant. The Americans claim it will meet national requirements at 35 per cent. lower prices than imported products. It is due to go into production in two years. The Kenya Government has invested a first instalment of K£1m. in the plant, and will eventually own 60 per cent. of the equity.

Meanwhile, until local production gets under way, Kenya will have to battle on against inflated prices. In 1974 the total value of all farm inputs rose by 48 per cent., imposing a crashing burden on the economy. The value of fertiliser imports, the most important input item, increased by 117 per cent. to almost K£13m. Kenya's fertilisers come mainly from Western Europe, principally from the Netherlands. This year it is estimated about 200,000 tons will be imported, against last year's 175,000 tons. Consumption has been going up steadily.

There was a dreadful moment recently when the vital coffee industry, the most valuable of all Kenya's cash crops in export terms (K£35m., last year) faced near disaster from rising fertiliser prices. Many smaller farmers were threatening to give up coffee growing.

The managing director of the Kenya Planters' Co-operative Union, Mr. Kinyua, said one fertiliser costing K.sch.475 a ton in 1971, rose to K.sch.740 a ton in 1972, and last year had reached K.sch.2040 a ton. Recently the Government stepped in with subsidies to bring prices down by between 30 and 40 per cent. in a wide range of fertiliser products.

Kenya's Ministry of Agriculture keeps a "strategic reserve" stockpile of some 2m. bags. It has appointed a number of organisations to be sole distributors, such as the Kenya Farmers' Association, the Kenya National Federation of Co-operatives, Sapa Chemical Industries and International Agricultural Enterprises.

Monopoly

Last June, the Government banned the import of fertilisers by private companies and gave a monopoly to a new government body called Ken-Ren, associated with N-Ren, the company building the Mombasa plant.

Recently, the Government introduced a short-term measure banning the re-export of fertilisers already in the country, which has been one cause of the shortages.

It was known that some unscrupulous concerns were hoarding fertilisers under the guise of re-export hoping to sell at higher prices later.

After urgent appeals, Kenya has received international aid recently for buying fertilisers. West Germany is supplying K£300,000 worth of nitrogenous fertiliser, U.S. aid is providing 15,000 tons, and other sources have been tapped, such as the FAO international fertiliser supply scheme for developing countries. Britain has just made a £2½m. grant to Kenya to help soften the inflation blow, some of which may be spent in bringing the price of farm inputs down to manageable proportions.

Talks on bauxite 'floor' price plan

BY CANUTE JAMES

KINGSTON, Nov. 3.

THE INTERNATIONAL Bauxite Association's Council of Ministers this morning started a week-long meeting here which is likely to end in areas of agreement on minimum prices for bauxite, and with the expansion of the 10-member organisation.

Sources indicate that the question of minimum prices will dominate the agenda, and that an application for membership from Indonesia will be accepted.

Although IBA sources have been tight-lipped on the nature of the price formula, there are indications that rather than a single "floor" price, member countries will be asked to accept a formula which takes into account variables such as the quality of the ore, methods of mining, distance from markets and domestic taxation policies.

The present state of the bauxite industry and the effects of cutbacks in aluminium production, particularly in the U.S. will also be considered by the Council of Ministers, with the aim of protecting members who have been hardest hit.

In a message to the opening session of the conference, Mr. Michael Manley, Jamaica's Prime Minister, said the recent increase in oil prices by OPEC brought a wider recognition ". . . of the right which raw material producers claim to seek to raise the level of prices and to increase the share in the final selling price of a finished product which accrues to those who own or grow or mine a raw material."

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on balance on the London Metal Exchange. Prices were initially higher following the firm close to the U.S. market last Friday which prompted modest consumer buying here which took forward metal up to ...

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £581, 81.5, three months £603 to ...

TIN

LEAD

ZINC

SILVER

COFFEE

RUBBER

SOYABEAN MEAL

COCOA

GRAINS

FREIGHTS

WOOL FUTURES

SUGAR

JUTE

MEAT/VEGETABLES

SMITHFIELD: (prices in pence per pound)—Beef: Scottish killed sides 35.5 to 38.0, killed sides (high quality) 37.0; English hindquarters—heavy 39.9 to 40.0; Ulster hindquarters 39.0 to 40.5, forequarters 27.5 to 28.5; ...

PRICE CHANGES

Prices per ton unless otherwise stated.

CONTRACTS AND TENDERS

SYRIAN STORING & DISTRIBUTING COMPANY PETROLEUM PRODUCTS "SADCOP"

Advertisement for Second Time for Call of Offers of Top Urgency

The Syrian Storing & Distributing Company, Petroleum Products, "SADCOP" announce Call of Offers, for study and supply of Anti-Fire Equipment including supervision & experience of their use within the following conditions.

1) Deposits: Initial guarantee: 2% of total value of the offer. Final guarantee: 5% of the final award's value.
2) Delay for submission of offers: Until the end of official working hours of Saturday 27/12/1975 and every offer arriving after this fixed date will be ignored.
3) Place for submission of offers: At registration office of SADCOP's Head Office, Damascus, Hijaz Square, POB 40 by hand or by registered mail.
4) Closure of offers: On Sunday, 28/12/1975 at 10.00 hours.
5) Fine for delay: 2‰—TWO PER THOUSAND for each day of delay of total value of contract.
6) Validity of offer: Offer is to be valid for 60 days.
7) Period of delivery: To be fixed by the bidder.
8) Value of Cahier de Charges: LS 25. TWENTY FIVE SYRIAN POUNDS payable to Cashier of the Company by an official receipt.
9) Any offer not complying with the above mentioned conditions will be disregarded.
10) For additional technical details please contact the Projects & Technique Directorate in SADCOP.

General Manager
Mohamed Nadim Badleh

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Steep fall in grains and coffee

NEW YORK, Nov 3.

CHICAGO GRAIN markets were sharply lower due to commercial selling. However, precious metals generally closed higher bolstered by speculative buying. Cocoa and sugar also closed higher following Commission House and European demand, while coffe and copper declined moderately on steady speculative liquidations, Bache reports.

Cocoa—Ghana spot unquoted (same). Bahia spot 66 (63.64). Dec. 63.70 (62.70), March 59.75 (58.70), May 57.20, July 53.30, Sept. 51.00, Dec. 52.20, March unquoted. Sales, 663.

Coffee—Spot Santos No. 4 unquoted (same), Colombian Mams unquoted (same). "C" Contract Nov. 78.60-78.70 (79.00-79.90), Dec. 79.11-79.10 (80.10), March 78.90-78.50, May 79.10-79.25, July 79.90 nom., Sept 80.40 nom. Sales 546.

Copper—Nov. 55.60 (56.40), Dec. 55.90 (56.90), Jan. 56.60, March 56.60, May 58.70 setts. Sales, 2,320 lots.

Cotton—Dec. 51.33-51.38 (52.13), March 52.74-52.78 (53.50), May 53.59, July 54.02-54.10, Oct. 54.40-54.60, Dec. 54.55-54.60, March 54.83-54.95. Sales, 2,000.

‡Gold—Nov. 142.50 (142.20). Dec. 143.30 (142.50), Jan. 144.10, Feb. 144.50, April 146.60, June 148.40, August 150.20, Oct. 152.00, Dec. 153.80, Feb. 155.70 setts. Sales, 817 lots.

Greasewool—Spot 158.0 nom. (same). Dec. 155.0-156.50 (same), March 150.0-158.0 (150.0), May 148.0-155.0, July 145.0-154.0, Oct. 145.0-150.0, Dec. 145.0-150.0, March 142.0-151.5.

†Lard—Chicago loose 30.00 asked (same), NY prime steam 31½ nom. (same).

††Maize—Dec. 273½-274 (277½-278), March 282½-282 (286½-286½), May 285½-285½, July 286-286½, Sept. 279, Dec. 263 asked, March 274½ asked.

‡Platinum—Jan. 144.60 (145.10), April 148.00 (148.70), July 1??.50, Oct. 155.50, Jan. 159.30-159.50, April 163.30-163.50. Sales, 63 lots.

‡‡Silver—Spot 422.00 (415.50). Nov. 419.10 (417.20), Dec. 421.40 (419.20), Jan. 424.70, March 431.60, May 436.90, July 445.30, Sept. 452.80, Dec. 463.10, Jan. 466.40, March 473.30 setts. Sales, 6,720 lots.

STOCK EXCHANGE REPORT

Quiet start to the new Account in equity markets

Index down 0.7 at 350.5, after 347.7—Gilts improve

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 20	Oct. 30	Oct. 31	Nov. 11
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9

*"New time" dealings may take place from 9.30 a.m. two business days earlier.

With the recent Slater Walker Securities situation still acting as a restraining factor on market sentiment, equities made another undecided showing at the start of a new Account yesterday. A trickle of small offerings saw the Industrial leaders drift downwards during the morning session, but selling dried up later and earlier falls of a few pence were almost erased by the close.

Down 3.5 at its lowest of the day at 11 a.m., the FT 30-share index gradually picked up to close only 0.7 easier on balance at 350.5. There was very little activity and official markings of 6,552 were low for the first day of a new Account.

British Funds benefited again from the continuing trend of lower U.S. interest rates, particularly short-dated issues, which closed up to ½ better. The Government Securities index rose 0.32 to 58.37, making a rise of 0.53 over the last two trading days.

Secondary equities made an irregular showing, but gains were in a majority by three-two in FT-quoted Industrials. The more broadly-based FT-Actuaries All-Share index, however, eased 0.3 per cent. to 149.83.

Gilt rally furthered

Lower interest rates in the U.S. coupled with the slight recovery detected recently in U.K. business confidence ensured a continuation of Friday's rally in British Funds. The volume of business remained comparatively light with the emphasis falling on low-coupon shorts and a near-medium issue, which gained as much as ¾, being helped by stock shortages in difficult markets; talk still persisted of a new low-coupon short "tap" being in the offing. Other mediums and longs edged forward on a demand described as "nibbling" and closed with improvement ranging to ¼. Corporations followed the main funds and gained ½ in places.

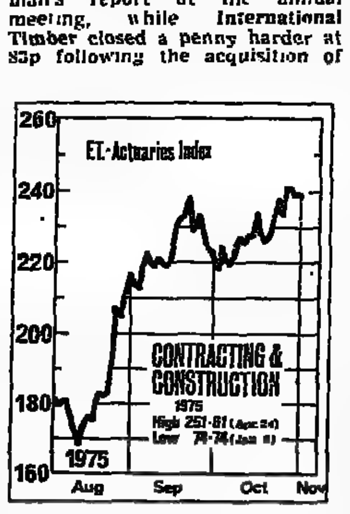
Making further headway in continuing thin trading conditions, the investment currency premium rose to 107 per cent. before easing to end a net 1½ higher at 106½ per cent. Yesterday's SE conversion factor was 0.6086 (0.6135).

Slater Walker better

Week-end Press comment raising some hope for the company's future stimulated buying interest in Slater Walker, which rallied 3½ to 26p xd, while the 17½ per cent. Loan, 1995, recouped 3 points to £70. Mr. Jim Slater's other former concern, Lubok Investments, managed to recover ½ to 14½p. Business in the big four Home Banks remained extremely thin, but prices hardened from an easier start to close a little firmer on balance. Barclays were finally 2 up at 300p, after 296p, and Lloyds similarly better at 236p, after 233p. Among Discount Houses, Alexanders receded 7 to 213p, but gains of 3 occurred in Gerrard and National, 273p and Gillett, 175p. Composite Insurances made a dull showing, but ended a little above the day's worst. General Accident 157p xd and Guardian Royal Exchange, 198p xd, both closed about 5 cheaper. Life Offices, however, closed little altered. Minet Holdings were quoted ex "rights" at 116p, with the new nil-paid at 85p premium.

Breweries closed little altered after an uneventful day. Elsewhere, Tomatin, up 4 at 58p, provided the only movement worthy of note.

Tysons Contractors featured Buildings, rising 6½ to 24p on the better-than-expected half-yearly figures. Parker Timber improved 3 to 77p in response to the chairman's report at the annual meeting, while International Timber closed a penny harder at 83p following the acquisition of



five of the subsidiary companies of Tremletts Holdings. Ernest Ireland, a dull market last week on the first-half loss, regained 2 at 27p, while Marchwiel improved 5 to 105p and Anglo-American Asphalt gained 10 to 120p. William Mallison edged up a penny to 39p in front of to-day's interim report. RAT Group were quoted ex the scrip issue at 31p.

EMI improve

ICI closed 2 firmer at 294p following narrow fluctuations. Farm Feed also finished 2 better at 45p after the interim figures, while modest gains were recorded in Willows Francis, 27p, and Enalon Plastics, 40p.

A week-end Press article on the company's X-ray scanner stimulated buying interest in EMI, up 4 to 226p. Other leading Electricals, however, moved narrowly in slack trading to finish little altered on balance. GEC were finally a penny down at 129p, after touching extremes of 131p and 128p, while Plessey showed no alteration at 70p xd, after 68p xd. After last week's advance of 70, Philips' Lamp closed 5 easier at 760p, after 755p; the third-quarter results are due next Thursday week. Elsewhere, Bowthorpe encountered support and gained 4 at 37p, while Press comment helped Petbow to improve 5 to 155p. Goldring hardened a penny to 15p awaiting to-morrow's half-year results. Electrocomponents held steady at 114p in front of to-day's interim figures.

Stores presented a reasonably firm appearance. Debenhams consolidated last week's rise of 7 with a fresh gain of 1½ to 83p xd: the shares are expected to be quoted ex "rights" to-day. Bolton Textile moved up 1½ to 10½p on further consideration of the preliminary figures, while Readicut International, ahead of to-morrow's interim statement, hardened 1½ to 18p. Raybeck were called 3 better at 37p ex the "rights" issue, while the new nil-paid shares opened at 24p and closed at 27p premium following a good turnover. Maple Macowards provided a dull spot following the announcement that the payment due on the company's preference shares would not be paid; the latter closed 2½ easier at 21½p and the Ordinary 1½ cheaper at 11½p. Movements of note in Shoes took in Church, 3 up at 115p, and Strong and Fisher, 4 higher at 68p.

Engineerings were basically firm, although the leaders eased initially before rallying later. GKN, for instance, closed unchanged at 232p, after 218p. Weyburn picked up 7 more to 325p on the combination of acquisition news and Press comment, while the latter factor helped Birmingham Mint rise 3 to 49p ahead of to-day's interim figures. Burgess Products slipped to 26½p on the halved profits, but subsequently rallied to end only ½ easier on balance at 29½p. Elsewhere, Mining Supplies regained 3 to 43p. Jones Group were a like amount dearer at 34p and Hall-Thermotank 2 better at a peak for the year of 83p. Shipbuildings continued to be featured by Hawthorn Leslie, which rose 7 further to 51p, after 53p, still on the nationalisation terms enigma. Yarrow revived with a gain of 4 to 125p, but Swan Hunter gave up 2 more to 51p.

Still reflecting the "rights" issue proposals, Watson and Philip moved up 3 more to a 1975 peak of 90p for a two-day rise of 10. Press comment brought support to J. B. Eastwood, 3 better at 36p, and P. Panto, 5 higher at 25p. Cavenham were actively traded down to 130p before closing a penny easier at 131p. FMC were also a penny easier at 64p following the annual meeting at which the NFU proposals were voted upon. William Low receded 4 to 126p on the preliminary figures.

Press comment directed fresh attention to Pontin's, which improved 2½ to a 1975 peak of 34p. Grand Metropolitan finished 2 better at 67p following news of the "rights" issue acceptances.

Boots firm

Activity remained at a low ebb in the miscellaneous Industrial leaders. Favourable week-end Press comment prompted Boots to firm 4 to 139p awaiting half-time results, due November 13, while Unilever, with third-quarter results expected November 12, closed similarly higher at 396p. Metal Box contrasted with a loss of 3 at 348p; the interim figures are due on November 17. Rank Organisation "A" declined 5 to 157p, while Bowater, unsettled further by Press comment, reacted afresh to 164p before picking up to 167p for a loss of 2 on the day. Glaxo recouped an initial loss of 3 to close unaltered at 333p xd. Elsewhere, De La Rue found favour and rose 6 to 171p in anticipation of to-day's half-time results, while Wm. Baird, in front of to-morrow's interim figures, added 2 at 88p. Charles Hill of Bristol improved 10 to 85p in a thin market in response to Press comment while, similarly influenced, Parker-Knoll "A", 49p, Gomme Holdings, 72p xd, Lloyds Industries, 53p, and Hanson Trust, 118p, all ended around 2½ firmer. Manchester Ship Canal gained 7 at 155p, Robert McBride 4 at 118p, and LRC International 3 at 32p, but selling in an unwilling market left Movitex 3 down at 7p.

Hoover "A" came back 5 to 295p ahead of Thursday's third-quarter report.

A Press article stating that a Government report on the prospects for the car industry was too gloomy to publish had little effect on Motors and Distributors, which tended mainly firm again. Lucas Industries rose 3 to 144p, while Dunlop hardened a penny to 62p. Rolls-Royce, helped by Press comment, added 1½ at 64p, while similarly, BSG International put on a fraction to 12½p.

Newspaper comment attracted attention to McCorquodale, which gained 4 to a peak for the year of 206p, but other Paper/Printings were quiet and only marginally better. Still influenced by investment advice, circulated last week, Reed and Smith picked up 1½ to 31p. Elsewhere, Mills and Allen were lowered 4 to 20p.

Property leaders made a mixed showing during another thin business. Town and City Properties managed to pick up 1½ to 14½p in response to the chairman's statement at last Friday's annual meeting. British Land recovered a penny to 17p, but Land Securities finished 3 cheaper at 164p. Elsewhere, United Real Property followed the full report with a reaction of 10 to 190p. Investment and Property Holdings, 21p, and Jermyn Investment, 19p, shed 2 apiece, but the half-time statement left Peachey Property a penny better at 24½p. London City and Westcliff, 15½p, and Westminster Property, 14p, both firmed a penny, while Berkeley Hambro put on 2½ to 80p xd. C. H. Beazer held steady at 123p on the preliminary results.

Oils uneventful

Leading Oils started firmly, influenced to a degree by publicity given to yesterday's inauguration of British Petroleum's Forties Field production. Demand was not sufficient, however, to hold the enhanced price levels, and a downdrift ensued which left BP unaltered on the day at 565p, after 570p. Shell similarly eased back from 376p to close unchanged on balance at 372p, while Burmah stayed at 33p; the latter's rejection of the invitation to negotiate R. J. Reynold's proposals to acquire Burmah's U.S. subsidiary made no impression. Press mention further stimulated demand for Berry Wiggins, up 7 more at 63p, and helped Premier gain a penny to 11½p. Overseas issues moved irregularly with Ranger improving 25 to 925p, but Siebens (U.K.) losing 15 to 440p.

Among irregular Overseas Traders, Inchcape finished 7 firmer at 332p following the success of its offer for Anglo-Thai, while the latter improved 6 to 152p in sympathy. Harrisons and Crosfield, however, lost 15 to 825p xd and Sena Sugar shed a penny to 9p.

Still reflecting fears about the company's North Sea drilling rig interests, Reardon Smith reacted 10 more to 375p for a two-day loss of 22. Other Shippings were quiet and little changed. Ocean Transport closed 2 harder at 125p and P. and O. Deferred 3 better at 108p. John I. Jacobs held at 14½p despite an adverse Press mention.

Trusts and Financials closed narrowly irregular. London United rose 4 to 60p, while Hume Holdings "A," 44p, and Foreign and Colonial, 129p, shed 3 apiece. Among smaller-priced issues, Bridgewater gained 2 to 12p.

Textiles traded spasmodically and Courtaulds finally hardened 1 to 141p, after 139p. Scott and Robertson, dull recently on gloomy half-yearly results, rallied 1½ to 13p, and A. Beckman improved 1 to 57p on Press comment. Despite lower first-half profits, Elleoroad Ring Mills remained at 32½p.

Stellenbosch Wine Trust featured South Africans, jumping 40 to 330p on the proposed merger with South African Breweries, a penny harder at 101p.

Consolidated Tea and Land closed 10 higher at 360p; the chairman's statement came too late to affect sentiment. Moran improved 4½ to 103p xd, while British Indian, 85p, and Teith Holdings, 325p, put on 5 apiece.

Golds drift

Despite the firmness of the investment dollar premium, mining share markets spent a quiet day. Bullion was unchanged until the afternoon fixing—when it rose 25 cents—and Golds drifted on lack of interest rather than on selling pressure. A slight rally around mid-day soon petered out and the Gold Mines index gave up 3.2 at 263.8. Bullion was finally up 23 cents at $143.25 per ounce.

In heavy-weight Golds, falls ranged to ½ in Vaal Reefs (£22½) with Randfontein (£19½), Western Deep (£17½) and Western Holdings (£26¾) all losing a half-point. Among the lower priced issues, Blyvoor gave up 30 at 640p and Libanon were 20 lower at 710p.

Financials were generally quiet. Reflecting the trend in Golds, "Amgold" lost ½ at £32½ and Gold Fields were 2 easier at 204p, after 202p. On the other hand, Anglo American Investment Trust gained 1 at £31 and Vereeniging were ½ up at 21½.

Coppers were neglected. Platinums were easier with Potgietersrust (180p) and Union Platinum (160p) both falling 3.

Rhodesians were lower with the exception of Phoenix Prince, which was the subject of a speculative demand and rose 2 at 10p.

Australians followed the overnight trend in Sydney and Melbourne markets with Pancontinental reaching a further all-time high of 890p at one time, before closing at 885p, up 20. Peko-Wallsend rose 5 at 405p.

Poseidon, a weak market of late, fell 10 to a year's low of 145p. Unfavourable Press comment left Paringa 1 off at 9p. Following the higher profits and return to the dividend list, New Guinea Goldfields rose 5 at 35p.

Tins were generally better where changed, with London Tin 1½ higher at 158p ex-dividend and Ayer Hitam 2 up at 135p. Elsewhere, Canadian influences left Northgate Exploration 10 up at 240p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 3	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	A year ago
Government Secs.	58.37	58.05	57.64	58.05	58.13	57.90	51.68
Fixed Interest	58.93	58.72	58.66	58.66	58.67	58.60	52.19
Industrial Ordinary	350.5	351.2	352.0	352.5	350.7	354.0	191.3
Gold Mines	263.8	267.0	267.3	258.9	255.7	257.4	375.8
Ord. Div. Yld. %	6.05	6.03	6.01	6.00	5.99	5.98	10.39
Earnings Yld. % (full) (a)	16.71	16.66	16.61	16.57	16.27	16.51	28.22
P/E Ratio (net) (b)	8.52	8.54	8.57	8.59	8.75	8.62	4.95
Dealings marked	6,552	6,213	6,258	7,779	6,876	7,018	5,353
Equity turnover £m.	—	57.90	54.83	63.73	68.60	53.19	35.95
Equity bargains total	—	15,193	14,289	15,541	15,514	16,473	13,145

10 a.m. 349.4. 11 a.m. 347.7. Noon 347.7. 1 p.m. 348.3.
2 p.m. 348.4. 3 p.m. 349.2.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.48.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.44 (20/5)	49.15 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.41 (21/5)	50.62 (3/1)	150.4 (22/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	231.6 (6/10)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 3	Oct. 31
Daily—		
Gilt-Edged	171.8	145.1
Industrials	223.1	209.8
Speculative	56.7	58.3
Totals	149.1	141.4
5-day Av'rge		
Gilt-Edged	168.6	166.7
Industrials	228.0	232.7
Speculative	51.5	47.9
Totals	153.3	156.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. *Figures in parentheses show number of stocks per section.*

	Monday, Nov. 3, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 0%	Friday Oct. 31 Index No.	Thurs. Oct. 30 Index No.	Wed. Oct. 29 Index No.	Tues. Oct. 28 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	129.10	−0.6	17.79	6.40	8.42	8.42	129.85	130.25	130.67	131.67	67.86	131.67 (28/10)	51.78 (6/1)	206.57 (4/5/72)	50.71 (13/12/74)
2 Building Materials (30)	124.56	−1.4	14.11	6.60	10.82	10.81	126.35	127.01	127.59	127.95	62.36	127.95 (28/10)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (23)	239.24	−0.2	15.91	3.92	9.45	9.46	239.69	239.46	240.38	240.54	96.10	251.61 (22/4)	74.74 (6/1)	389.33 (18/5/72)	71.48 (12/12/74)
4 Electricals (17)	224.38	−0.7	18.21	5.17	8.04	8.04	225.90	229.05	228.15	233.54	122.19	234.64 (8/8)	98.49 (3/1)	360.04 (4/8/72)	84.71 (25/6/66)
5 Engineering (Heavy) (13)	151.96	+0.4	21.46	7.81	7.10	7.10	151.31	151.31	154.17	156.40	87.56	159.79 (22/4)	64.59 (2/1)	202.57 (8/5/73)	64.39 (2/1/75)
6 Engineering (General) (63)	111.30	−0.3	19.64	7.50	7.61	7.61	111.65	111.45	111.91	112.35	61.13	117.40 (6/6)	45.45 (6/1)	166.59 (4/5/72)	45.43 (6/1/75)
7 Machine and Other Tools (9)	44.12	+0.7	18.66	9.52	9.67	9.67	43.82	43.67	43.72	44.05	26.71	48.98 (30/5)	20.11 (2/1)	136.70 (4/7/66)	19.95 (13/12/74)
8 Miscellaneous (24)	110.40	−0.4	19.46	7.16	7.66	7.66	110.80	109.86	110.84	110.82	64.00	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (56)	105.98	—	16.63	5.85	8.85	8.84	105.96	105.80	106.09	106.56	60.04	106.56 (28/10)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10 Electronics, Radio TV etc. (15)	122.21	−0.5	15.49	4.57	9.69	9.64	122.54	123.34	124.11	125.20	63.60	126.20 (28/10)	44.28 (6/1)	257.41 (19/5/72)	43.85 (12/12/74)
11 Household Goods (14)	154.51	−0.2	16.04	6.77	9.14	9.12	154.83	154.82	155.65	157.79	76.93	157.79 (28/10)	64.55 (6/1)	265.29 (4/5/72)	63.92 (17/12/74)
12 Motors and Distributors (27)	58.66	+0.6	18.90	7.95	7.63	7.62	58.32	57.37	57.08	56.65	29.46	58.66 (3/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (168)	142.44	+0.2	14.23	5.99	10.19	10.12	142.15	142.65	143.25	145.31	74.68	146.45 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14 Breweries (15)	165.34	−0.1	12.24	6.27	12.36	12.56	165.55	165.89	165.34	167.15	87.74	167.96 (22/8)	76.58 (6/1)	281.87 (28/11/72)	66.47 (13/12/74)
15 Wines and Spirits (7)	144.45	−0.1	13.40	6.98	11.27	11.27	144.55	144.70	144.70	147.50	102.79	177.84 (8/7)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16 Entertainment, Catering (16)	168.39	+0.8	12.58	7.09	12.56	11.76	167.12	167.31	168.04	171.57	71.36	171.57 (28/10)	55.28 (6/1)	329.99 (18/12/72)	54.83 (9/1/75)
17 Food Manufacturing (22)	154.34	—	13.73	5.22	10.04	10.00	154.27	154.69	155.77	157.19	65.74	157.19 (28/10)	62.05 (2/1)	211.66 (1/5/72)	59.77 (11/12/74)
18 Food Retailing (16)	146.15	−0.2	10.59	4.52	13.70	13.70	146.40	146.87	147.50	149.44	66.75	149.44 (28/10)	57.16 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19 Newspapers, Publishing (15)	141.80	+0.5	15.12	6.99	10.11	10.11	141.14	141.58	142.40	142.37	77.54	152.14 (6/6)	55.08 (6/1)	250.29 (18/1/72)	55.08 (6/1/75)
20 Packaging and Paper (13)	93.82	−0.3	23.72	7.86	6.27	6.28	94.11	94.21	95.13	96.59	58.04	107.12 (20/5)	45.46 (6/1)	155.69 (28/4/72)	45.46 (6/1/75)
21 Stores (32)	122.49	+0.1	12.18	5.39	12.57	12.57	122.42	122.62	122.98	124.33	67.00	132.94 (24/10)	52.63 (6/1)	204.39 (18/2/73)	52.63 (6/1/75)
22 Textiles (23)	150.94	+0.7	22.12	7.09	5.43	5.29	149.89	151.54	153.31	155.78	77.02	155.78 (28/10)	62.91 (6/1)	253.72 (17/8/69)	62.56 (11/12/74)
23 Tobacco (3)	199.73	+0.8	16.97	6.74	8.97	8.97	198.08	199.60	201.00	204.47	127.57	204.47 (28/10)	109.92 (6/1)	359.16 (2/2/72)	94.34 (13/6/62)
24 Toys and Games (6)	61.75	+0.8	22.90	6.37	6.07	6.07	61.37	61.23	60.84	61.40	28.18	61.75 (3/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
OTHER GROUPS (93)															
25 Chemicals (24)	177.87	−0.4	15.65	5.40	8.96	8.95	178.57	179.74	179.40	181.44	92.01	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26 Office Equipment (10)	84.46	−1.4	15.78	6.17	8.89	8.89	85.69	85.77	86.91	88.00	61.30	104.78 (17/4)	46.34 (2/1)	246.06 (1/9/72)	46.34 (2/1/75)
27 Shipping (12)	374.06	+0.5	20.65	6.46	6.22	5.98	372.99	376.21	379.69	380.77	248.77	401.64 (10/3)	194.38 (6/1)	517.00 (6/12/73)	90.80 (29/6/62)
28 Miscellaneous (47)	147.74	−0.5	16.77	6.86	8.81	8.81	148.24	149.77	150.28	151.68	80.46	153.56 (6/6)	60.39 (6/1)	256.63 (2/5/72)	60.39 (6/1/75)
29 INDUSTRIAL GROUP (496)	139.95	−0.1	15.73	6.09	9.23	9.19	140.14	140.73	141.19	142.78	74.27	145.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30 OILS (4)	323.37		15.57	4.98	7.17	6.42	323.30	324.77	326.42	335.12	146.26	335.12 (22/10)	105.85 (2/1)	431.66 (23/5/63)	87.23 (29/5/62)
31 500 SHARE INDEX	155.14	−0.1	15.70	5.91	8.83	8.60	155.32	155.98	156.54	158.53	80.31	158.63 (28/10)	63.49 (6/1)	227.95 (16/5/72)	65.49 (13/12/74)
32 FINANCIAL GROUP (100)	132.55	−0.8		5.38			153.60	154.80	154.83	156.74	66.74	148.45 (22/5)	66.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33 Banks (6)	161.98	−0.3	18.16	4.98	8.44	8.44	161.56	162.58	161.53	164.58	74.04	177.11 (5/6)	62.56 (2/1)	289.52 (30/7/72)	62.44 (12/12/74)
34 Discount Houses (9)	155.42	−0.1		7.93			155.27	156.48	158.25	157.17	95.67	169.27 (7/5)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35 Hire Purchase (5)	95.80	−1.9	—	6.62	—	—	97.67	99.72	99.11	102.15	73.90	134.59 (10/5)	42.81 (6/1)	433.73 (4/5/72)	38.83 (11/12/74)
36 Insurance (Life) (9)	117.09	−0.1	—	5.84	—	—	117.19	118.57	118.84	118.87	66.65	127.97 (2/4)	44.88 (2/1)	194.46 (15/5/72)	44.88 (2/1/75)
37 Insurance (Composite) (7)	108.52	−2.3		6.50			111.09	112.08	112.18	112.86	50.68	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38 Insurance (Brokers) (8)	223.45	−1.1	9.55	3.91	16.05	16.05	225.89	225.27	226.08	228.74	85.69	228.74 (28/10)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39 Merchant Banks (19)	82.50	−0.7	—	6.11	—	—	83.07	83.85	83.60	86.66	45.80	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40 Property (32)	152.98	−0.3	3.74	3.85	44.11	41.94	153.51	156.16	155.40	160.67	99.84	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41 Miscellaneous (4)	72.04	−1.4	13.62	6.67	11.74	11.59	73.04	74.35	75.30	75.11	42.90	75.78 (25/4)	34.78 (10/1)	303.13 (13/5/72)	33.29 (17/12/74)
42 Investment Trusts (50)	163.58	−0.5	3.03	4.38	33.02	33.00	164.12	164.08	165.87	166.04	86.64	173.53 (6/6)	73.45 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43 ALL-SHARE INDEX (650)	149.83	−0.3		5.72			150.23	150.95	151.42	153.32	77.28	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	382.24	0.5	14.88	8.77	9.73	9.65	384.12	379.42	378.47	381.30	304.84	385.4	281.66	555.37	84.68
45 Teas (10)	117.04	−1.0	35.02	8.92	4.11	3.97	115.92	117.07	115.26	112.53	65.16	117.07 (30/10)	76.76 (10/1)	121.47	59.72 (17/10/74)
46 Coppers (3)	275.52		71.29	17.78	1.40	1.40	275.52	274.68	273.28	266.95	346.82	467.74	256.42	567.78	94.08
47 Mining Finance (11)	106.17	0.8	11.29	4.80	10.00	10.00	107.06	107.03	106.87	106.71	86.16	141.34	50.58	175.90	66.31
48 Tins (8)	88.11	−0.5	12.54	10.16	10.42	9.52	87.63	86.20	86.26	85.52	61.53	114.49	58.91	125.43	54.83
49 Overseas Traders (13)	209.26	−0.3	16.65	4.71	7.68	7.67	208.72	209.07	211.63	213.45	—	252.23	97.37	252.25	97.37

FIXED INTEREST	Monday, Nov. 3 Index No.	Yield ‡	Friday Oct. 31	Thurs. Oct. 30	Wed. Oct. 29	Tuesday Oct. 28	Monday Oct. 27	Friday Oct. 24	Thurs. Oct. 23	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.77	14.86	14.96	14.87	14.84	14.94	14.81	14.92	17.18	—	—	—	—
2 20-yr Govt. Stocks (6)	46.61	13.66	46.58	46.42	46.66	46.60	46.84	46.84	46.56	41.53	53.09	38.27 (3/1)	115.42	38.27 (3/1/75)
3 20-yr Red Deb & Loans (15)	45.79	16.06	45.77	45.72	45.72	45.72	45.77	45.70	45.60	39.05	50.68	37.01	113.43	37.01
4 Investment Trusts Prefs. (15)	46.96	14.74	47.21	47.13	46.72	46.63	46.63	46.58	47.04	37.16	47.30	35.35	114.41	34.45
5 Coml. and Indl. Prefs. (20)	64.74	14.56	65.66	65.86	65.52	65.35	64.75	63.99	63.41	52.11	68.02	48.35	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31 12 74	100.00	Food Retailing	29 12 67	114.13
Engineering (Heavy)	31 12 71	153.84	Insurance Brokers	29 12 67	96.67
Engineering (General)	31 12 71	153.84	Mining Finance	29 12 67	100.00
Wines and Spirits	16 1 70	114.76	All Other	10 4 62	100.00
Toys and Games	16 1 70	135.72			
Office Equipment	16 1 70	142.71			
Industrial Group	31 12 70	128.20			
Miscellaneous Financial	31 12 70	128.06			
Food Manufacturing	29 12 67	114.13			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGES: Argyle Securities has been replaced by Property Reversionary Inv. Corp. "A" (Property). Hume Holdings has been replaced by Anglo Continental Inv. and Finance (Misc. Financial).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	12	294	+2	302	118
"Bats"	25p	10	313	−1	338	164
Shell Transport	25p	10	372	—	386	118
Slater Walker	25p	10	26xd	+3½	109	20
Berry Wiggins	50p	9	63	+7	90	30
BP	£1	9	565	—	598	190
Weir Group 'New'	Nil/pd.	9	17½*	—	17½*	10½*
BICC	50p	8	118xd	—	140	66
Boots	25p	8	139	+4	139	45½
Bowater	£1	8	167	−2	179	50
Grand Met.	50p	8	67	+2	70½	17½
Pontin's	10p	8	34	+2½	34	13½
Barclays Bank	£1	7	300	+2	335	112
British Leyland	50p	7	36	—	57	20
Charter Cons.	25p	7	153	−1	205	87

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct. 28	Nov. 10	Jan. 22	Feb. 3
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2

"Calls" were done in Burmah Oil, British Land, Premier Oil, Slater Walker, English Property, Town and City, MEPC, J. B. Eastwood, Berry Wiggins, Marchwiel, and Airfix NV. No "puts" were reported, while "doubles" were arranged in Lonrho, Premier Oil and MEPC.

Industrials							
		Grand Met.	7	Slater Walker	9	Mines	
		G.U.S. 'A'	17	Spillers	8	Anglo Amer.	50
A. P. Cement	15	Guardian	20	Tesco	6	Broken Hill Prp	75
Assoc. Leisure	5	G.K.N.	22	Thorn "A"	17	Charter Cons.	29
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Chart'rh'll Fin.	10
Beecham	28	House of Fraser	8	Unilever	25	Cons Gold	22
Boots Drug	18	Hudson/Wilson	4	Utd. Drapery	10	De Beers Def.	35
Bowaters	16	I.C.I.	21	Vickers	15	F.S. Geduld	350
B.A.T.	50	"Imps"	7	Woolworths	6	Great Boulder	12
British Leyland	7	I.C.L.	7			Hampton Areas	15
BOC Int.	6½	Inveresk	7	Property		Hampton Prop.	4
Burton 'A'	9	Legal & General	15	Cap. Counties	4½	Kloof	140
Cadbury's	6	Lloyds Bank	22	E.P.	8	Lonrho	12
Courtaulds	12	"Lots"	6	Int. Europe	6	Loraine	8
Debenhams	6	"Mams"	6	Land Securities	18	Metals Explor.	8
Distillers	14	Marks & Sp'ncer	11	Peachey	6	Poseidon	55
Dunlop	5½	Midland Bank	25	Town & City	4½	Pres. Steyn	275
Eagle Star	15	Nat'l West Bank	22	Town & Comm.	4	Rio T. Zinc	20
E.M.I.	17	P & O Dfd.	10			Welkom	55
First National	2	Plessey	8	Oils		West Areas	75
G.R.A. Trust	4	R.H.M.	8	Brit. Petroleum	45	Western M'ng	18
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	5	Zambian Copp.	10
Gen. Electric	15	Reed Int'l	25	Shell	30		
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parenthesis) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (74)

BRITISH FUNDS (2)
Treasury 3pc 1977 — Transport 4pc 1972-77

AMERICANS (4)
C.P.C. — Quaker Oats
Otis Elevator — TRW Inc.

CANADIANS (1)
White Pass

BANKS (1)
Hill Samuel Warrants

BUILDINGS (3)
Anglo-Am. Asphalt — Parker Timber
Mallinson (Wm.)

CHEMICALS (1)
Ransom (Wm.)

CINEMAS (3)
Anglia TV 'A' — Scott. TV 'A'
Ass. Tele. 'A'

STORES (8)
Amber Day — Dewhirst
Do. Pfd. Ord. — Hall & Earl
Bremner — Ratners
Brit. Home Stores — Rosgill

ELECTRICALS (6)
Best & May — M.T.E.
Campbell Isherwood — Petbow Hldgs.
Dimplex — Robinson Rentals

ENGINEERING (11)

FOODS (2)
Belam — Watson Philip

HOTELS (1)
Pontin's

INDUSTRIALS (12)

INSURANCES (1)
Bremnall Beard

MOTORS (8)

PAPERS (3)
McCorquodale — Waddington (J.)
Smith (David)

SHOES (1)
Strong & Fisher

TEXTILES (3)
Allied Textile — [illegible]
[illegible]

TEAS (1)
British Indian

MINES (1)
Pancontinental

NEW LOWS (3)

INDUSTRIALS (1)
Movitex

PROPERTY (1)
Inv. & Prop. Hldgs.

MINES (1)
Poseidon

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	53	—	2
Corpns. Dominion and Foreign Bonds	19	3	49
Industrials	364	248	1,120
Financial and Prop.	111	109	385
Oils	10	5	18
Plantations	11	6	30
Mines	29	54	80
Recent Issues	7	10	20
Totals	594	429	1,704

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11½%
C. E. Coates	11½%
Consolidated Credits	12 %
Continental Trade Bk.	11 %
Co-operative Bank	*11 %
Copleys Bank	12 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Jacobs, Kroll	11½%
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	11 %
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'ces	11 %
Royal Trust of Canada	12 %
Schlesinger Limited	11½%
E. S. Schwab	12½%
Security Trust Co. Ltd.	12½%
Shenley Trust	12½%
Standard Chartered	11 %
Sterling Credit	12½%
Thames Guaranty	11 %
Trade Development Bk.	11 %
Twentieth Century Bk.	12½%
United Bank of Kuwait	11 %
Whiteaway Laidlaw	11½%
Williams and Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7½%, 1-month deposit 7¾%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7¼% and over £25,000 8¼%.
§ Demand deposit 8¼%.

CORAL INDEX
Close 349-354

I.G. INDEX
GOLD 141½-144½

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance ... 9½%
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a large amount of assistance by buying Treasury bills and Corporation bills from the Discount houses. Banks carried forward surplus balances and a fall in the note circulation was also in the market's favour. These were outweighed, however, by a net market take-up of Treasury bills and settlement of official gilt-edged sales.

Discount houses paid about 11 per cent. for secured call loans at the start and rates touched 11¾-11½ per cent. in places during the day. Closing rates were in the region of 10 per cent. to 11 per cent.

In the inter-bank market, overnight loans commanded 11-11½ per cent. in the early part, and after touching 11½-11¾ per cent., funds were available at the close at 10¾-11 per cent.

Short-term fixed period interest rates showed little change overall. The three-month sterling certificate yield was quoted at 11 11/16-11½ per cent. compared with 11 11/16-11 9/16 per cent. previously.

Rates in the table below are nominal in some cases.

Nov. 3 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	10¾-11¼	—	—	—	11-12½	10-11⅞	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	11⅛-11⅜	11¼-11⅜	—	—	—	11-11¼	—	—	—
One month	11⅜-11¼	11¼-11⅜	11⅛-11½	12-11½	11⅝-12¼	—	11⅛	11 7/32-11¼	11 5/16	12-11¾
Two months	11 7/16-11 5/16	11½-11⅝	—	12-11½	11½-12½	—	11⅛-11¼	11 5/16	11⅜	12-11¾
Three months	11 9/16-11½	11 9/16-11⅝	11⅝-11⅜	12-11½	11½-12½	—	11⅛-11¼	11 5/16-11 9/32	11 7/16-11½	12¼-12
Six months	11⅞-11¾	11¾-11⅞	11⅞	12¼-11⅝	12-13	—	—	—	11 15/16-11 13/16	12½-12⅜
Nine months	11⅞-11¾	11¾-11⅞	—	12½-11¾	12½-13½	—	—	—	—	—
One year	11⅞-11¾	11¾-12	12 1/16-12⅜	12½-12	12½-13½	—	—	—	—	—
Two years	—	12½-12¾	12⅞-13⅛	13-12	—	—	—	—	—	—

† Local authority and finance houses seven days' notice others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½ per cent.; four years 13¾-14 per cent.; five years 14-14½ per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 9/16-11½ per cent.; and four-month trade bills 12½ per cent. Approximate selling rates for one-month Treasury bills 11 7/32-11¼ per cent.; two-month 11 5/16 per cent.; three-month 11 5/16 per cent. Approximate selling rates for one-month Bank bills 11⅜-11 3/16 per cent.; two-month 11 5/16-11½ per cent.; and three-month 11 11/32-11 5/16 per cent.; for one-month trade bills 11½-11¾ per cent.; two-month 11¾ per cent.; and three-month 11¾-11½ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from November 1. **Clearing Bank Deposit Rates** for small sums at seven days' notice 7 per cent. **Clearing Bank Rate** for lending 11 per cent. **Treasury Bills:** Average tender rates of discount 11.4105 per cent.

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Clover Croft	35		Holt (Jos.) 25p	250							
Craig & Rose £1	315		Kleen-e-Ze	18		Alliance Gas (£1)	65				
Dyson (R.A.)	30		Lovell's Ship £1	95		Carroll (P.J.)	125				
Ellis & McHdy	58		N'tha. Goldsmith	90		Clondalkin	45				
Evans Fr'k 10p	33		P.M.A.	28		Concrete Prods.	86				
Evered	6		Pearce (C. H.)	56		Goodbody (£1)	28				
Fife Forge	47		Peel Mills	12		Heiton (Hldgs.)	29				
Finlay Pkg. 5p	16		Richards 10p	12	$-\frac{1}{2}$	Irish Distillers	58				
Frost & Reed 50p	118		RobbCaledon 5p	32		Irish Wire	40				
Gardiner & Sons	11		Sayers $12\frac{1}{2}$p	8		Jacob	60	$-\frac{1}{2}$			
Gardner (L.)	56		Sheffield Brick	64		Sunbeam	$11\frac{1}{2}$				
			Sheff. Refrshmt.	141		Unidare	64				

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 64½% (based on $2.0725 per £)

CANADIANS

S.E. List Premium 64½% (based on $2.0725 per £)

Conversion factor 0.6063 (0.6132)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£14¼	360	Durban Deep R1	400	......	‡Q115c	ϕ	‡
£14	520	E. Rand Prp. R1	680	......	‡Q115c	ϕ	‡
105	28	Rand Leases 25c	28	......	—	—	—
£34½	£15¾	Randf'tn Est. R2	£19½	−½	—	—	—
500	150	West Rand R1	160	−2	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	175	Bracken R1	215	......	Q52c	ϕ	13.4
23	5	Coppesfontein 50c	12	+2	—	—	—
105	37	East Dag R1	40	......	‡Q25c	ϕ	‡
—	—	Grnt. Areas 5c	140#	......	—	—	—
380	120	Grootvlei 30c	145	−5	‡Q52c	1.1	‡
820	410	Kinross R1	440	−5	Q54c	ϕ	6.8
190	70	Leslie 70c	74	......	Q18c	ϕ	13.4
550	165	Marievale 70c	210	−5	‡Q84c	1.1	‡
725	200	S. African Ld. 35c	260	−10	‡Q85c	1.2	‡
265	82	Vlakfontein R1	112	......	Q35c	1.3	17.4
£13¼	720	Winkelhaak R1	815	......	Q108	ϕ	7.3
120	36	Wit. Nigel 25c	48	......	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£11	620	Blyvoor 25	640	−30	Q100c	1.3	8.6
£21½	£12¾	Buffels R1	£15	−¼	Q160c	1.4	6.7
430	235	Deelkraal R0.20	250	−2	—	—	—
£14¼	610	Doornfontein R1	815	+5	Q110c	1.4	7.5
£12¼	725	East Drie R1	945	−10	Q65c	ϕ	3.3
450	200	Elsburg R1	225	−5	Q45½c	—	11.2
£31	£15	Hartebeest R1	£18	−¼	Q215c	1.4	6.6
£13¼	730	Kloof Gold R1	810	−10	Q55c	1.4	3.8
£17¼	650	Libanon R1	710	−20	Q110c	1.9	8.6
£13¼	600	Southvaal 50c	610	......	Q9c	0.9	0.6
480	210	Stilfontein 50c	240	−5	‡Q65c	1.5	‡
£33¼	£17	Vaal Reefs 50c	£22¾	−¾	‡Q220c	1.7	‡
£11½	290	Venterspost R1	360	−5	Q70c	1.9	10.7
£55	£33	W. Drie R1	£39¾	−½	Q485c	1.2	6.7
745	275	W'st'rn Areas R1	335	......	‡Q70c	1.4	11.5
£23	£13	Western Deep R2	£17½	−½	‡Q160c	1.4	‡
530	290	Zandpan R1	320	−5	Q35½c	1.0	6.2

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
400	160	Fr. State Dev. 50c	190	−5	Q14c	1.6	4.1
£32¾	£19	F.S. Geduld 50c	£22¼	−½	330c	ϕ	8.3
265	115	F.S. Saaiplaas R1	144	−2	26c	—	2.3
960	550	Harmony 50c	575	−15	Q77c	1.8	7.4
575	170	Loraine R1	205	+1	Q6c	ϕ	2.6
£28¾	£17¼	Pres. Brand 50c	£19¼	......	Q250c	ϕ	7.2
£25¼	£11¼	Pres. Steyn 50c	£12¼	+⅛	Q125c	ϕ	5.5
£39¾	£19¾	St. Helena R1	£23½	−½	Q240c	ϕ	5.9
340	170	Unisel	182	−2	—	—	—
525	245	Welkom 50c	335	......	Q55c	ϕ	9.1
£40	£23	W. Holdings 50c	£26¼	−½	Q475c	ϕ	10.2

FINANCE

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
520	313	Ang. Amer. 10c	360	......	‡Q29c	2.0	4.8
£45½	£27½	Ang. Am. Gold R1	£32½	−¼	‡Q350c	1.4	4.2

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
41	22½	APahang	37	+2	Qn2.6	Qn2.6	10.8
65	41	Pengkalen 10p	43xd	......	7.0	1.0	23.4
102	75	Petaling SM1	100	......	—	—	—
23	8	Saint Piran	18	......	0.63	3.5	5.4
135	68	South Kinta (10p)	87	+1	9.5	1.5	16.8
160	73	Sthn. Malayan	128	......	g43.9	1.4	13.2
83	41	Sungei Besi 20p	41	......	30	3.0	22.5
43	29	Supreme Way SM1	29	......	‡Q10	—	6.0
84	48	Tanjong 15p	52	......	4.35	2.3	12.9
75	50	Tongkah Hb SM1	51	......	‡Q30	1.3	‡
95	42	Tronoh	56	......	†4.02	3.5	11.0

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
112	52	Botswana RST R2	57	−1	—	—	—
390	196	Messina R0.50	278	......	tQ35c	2.9	7.0

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	42	......	—	—	—
115	40	Colby Mines $1	66	......	—	—	—
760	360	Cons. Murch. 10c	710	−10	‡Q130c	2.2	‡
53½	29½	Laurasia	37½	......	—	—	—
375	200	Northgate C$1	250	+10	Q65c	1.0	13.0
211	80	R.T.Z.	170	−1	g5.51	4.4	5.1
135	47½	Sabina Inds. C$1	87	+2	—	—	—
81	45	Stanford Mines	45	......	—	—	—
£12½	875	Tara Expln. $1	£10½	......	—	—	—
78	38	Yukon Cons C$1	54	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♠ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 19

FINANCIAL TIMES

Tuesday November 4 1975

FORMER TREASURY FORECASTER SAYS

U.K. public spending 'out of control'

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A FORMER leading Treasury forecaster yesterday complained that public expenditure in the U.K. was out of control, and said that introduction of cash limits on departmental programmes was urgently needed.

Even then, Mr. Wynne Godley, director of the Department of Applied Economics at Cambridge, told a *Commons Select Committee*, it might take seven or eight years to get public spending properly under control.

Mr. Godley, who has just completed a six-month secondment in the Treasury as a part-time civil servant, is still employed as a consultant by the Treasury on methodology.

Yesterday he told the Commons Expenditure Committee's sub-committee on public expenditure that between 1970-71 and 1974-75 the growth of public expenditure (excluding investment grants) was £5½bn. above what would have been "necessary to keep pace with the growth of gross domestic product."

Some £5bn. of this could not be accounted for by announced policy changes, he added.

At £22bn., the growth of public expenditure in money terms between the two years compared with a growth of only £33bn. in GDP as a whole.

It was thus equivalent to two-thirds of the growth in GDP.

Mr. Godley said that the present system of public spending planning and control (known as PESC from the initials of the Whitehall Public Expenditure Survey Committee), might have been "nobly and imaginatively conceived" but was in effect a failure.

It produced none of the planning advantages that were hoped for, and "it is not the case that it produces valuable information for the purposes of economic management."

But, on top of having neither a satisfactory planning mechanism nor a satisfactory information system for running the economy, "there appears to be an actual loss of financial control" under PESC, Mr. Godley asserted.

Mr. Godley's strictures come at a time when there is a great deal of outside criticism about the level of public expenditure, and when many outside observers believe the Treasury has been half-hearted in its approach to the whole question of cash limits for public spending programmes.

Projections

Under questioning from members of the sub-committee Mr. *Godley said cash limits* on Departmental expenditure programmes had the advantage that they were "units you can count."

He dismissed the suggestion that the apparent lack of control in public expenditure programmes was the result of a higher U.K. inflation rate than had been forecast by the Treasury when drawing up its public spending projections.

"None of it arises from the general rate of inflation, or ought to, because the projections originally include the relative price effect, which allows for increases in prices of goods for the public sector. It is invariant to the rate of inflation."

Mr. Godley added: "My belief is that a rather high proportion of the £5bn. is the result of pay and price increases greater than the norm, and greater than justified by the rate of inflation."

Mr. WYNNE GODLEY
"Pay and price increases too great."

A major problem, he added, was that local authorities had been able in effect to decide their own pay and price increases "and then bill the Treasury for the entire increase.

"My impression is that a very large amount of the £5bn. results from the attempt to control and plan public expenditure in real (volume) terms, which has resulted in the loss of financial control."

Mr. Godley said that while the cost of public services had risen twice as fast as usual in the past four years, "I have no impression that the provision of public services has risen twice as fast as usual."

Bloodless coup in Bangladesh

BY OUR FOREIGN STAFF

A shake-up among the military *rulers of Bangladesh* appears to have taken place yesterday, which has reasserted the power of the senior officers but left Khondkher Mushtaque Ahmed in office as President.

Reports of the coup, which seems to have been bloodless and peaceful, emanated from diplomatic sources in New Delhi, who quoted their missions in Dacca. All communications between Bangladesh and the outside world were cut.

The diplomats said that the army leadership had seized power from the junior officers who brought President Mushtaque Ahmed to power on August 15 in the coup which saw the death of the country's former President, Sheikh Mujibur Rahman, and more than 20 members of his family and political aides.

Following that coup, the leaders—seven army majors and one colonel—had *refused* to move their tanks from the centre of Dacca and were in residence in the Presidential building. They sat on President Mushtaque's military council, the main decision making body, with the country's army chiefs.

There had been an uneasy *truce between the majors* and their senior officers as negotiations went on to try to regularise the situation. President Mushtaque apparently tried to reach a compromise whereby the government and army both kept to themselves and the majors were sent to diplomatic posts abroad. The majors, however, resisted this.

Now, it seems, the majors have been outmanoeuvred. The army chief of staff, Lt.-General Ziaur Rahman, who was appointed to his post *shortly after the August coup*, was under arrest yesterday. Diplomats reported that the new strong man of the regime was Brigadier Khalid Musharaf, chief of the army general staff, and a key figure in the negotiations with the majors.

Observers yesterday said they believed that the events of the day could be seen as the second stage of the August coup and that there was now no impediment to a resumption of political activity. Political parties were banned at the end of August, but President Mushtaque has pledged to restore parliamentary democracy.

Moroccan Premier sees Juan Carlos

BY ROGER MATTHEWS MADRID, Nov. 3.

SPAIN'S TOUGH new stand on the Spanish Sahara brought Mr. Ahmed Osman, the Moroccan Prime Minister, to Madrid for top-level talks this afternoon. The threat by King Hassan of Morocco to launch a peaceful invasion of up to 350,000 people into the Sahara to reclaim the territory has sparked the crisis.

Two weeks ago the Spanish Government said that it would never order its troops to fire on unarmed civilians, but yesterday its representative at the United Nations warned that the march would be halted by the use of armed force, if necessary.

Spain is now insisting, once again, that the people of the Sahara must be permitted self-determination, a line that is backed by Algeria which is determined that the territory with its phosphate wealth, should not fall into the hands of Morocco or the other claimant, Mauritania.

The Moroccan Prime Minister began talks early this evening with Prince Juan Carlos, Spain's acting head of State, who flew into the Sahara yesterday to boost the morale of his troops. Also present at the talks to-day were Sr. Carlos Arias, Prime Minister, and Sr. Pedro Cortina, Foreign Minister.

Earlier in the day Senor Arias and his Army Minister held an hour-long meeting to discuss the military situation in the Sahara.

The Spanish regime, despite its much harder line, is believed to recognise the precarious position that King Hassan is in and would welcome a UN intervention that could be interpreted favourably by all parties.

King Hassan will obviously find it politically hazardous to call off the march without having a tangible gain to show, while time is pressing because of the logistic difficulties of keeping tens of thousands of people in makeshift camps near the Sahara border.

Reports from El Aaiun, the capital of the Sahara, said that the town was firmly in the grip of the Spanish Foreign Legion

James Buxton writes: King Hassan yesterday sent a senior minister to Algiers with a message for President Houari Boumedienne. A senior diplomat *was also sent to Moscow for what* officials described as a special mission. The U.S.S.R. is at present Chairman of the UN Security Council.

Officials in Agadir announced that the president of the Spanish Sahara tribal association, who is also a member of the Spanish Cortes, has defected to Morocco to pledge allegiance to King Hassan.

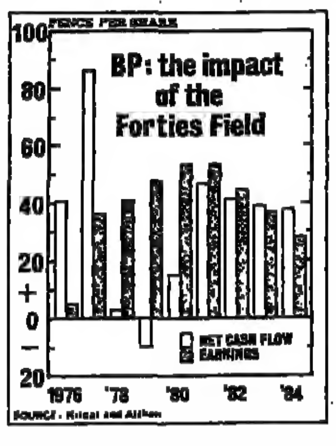
THE LEX COLUMN

BP in the North Sea era

Index fell 0.7 to 350.5

So crude oil from the Forties field is officially flowing into Grangemouth refinery—at a current rate of 40-50,000 barrels a day, rising to 250,000 b.d. next year and reaching a peak of 400,000 b.d. during 1977. What are the financial implications for BP? A number of brokers have produced forecasts of *earnings* and cash flow, and a couple of analyses show that while there is a fair degree of agreement on peak annual earnings likely to be achieved —something like 50p a share at the end of the decade—the sums can vary significantly according to the assumptions made.

Our chart shows the projections of Kitcat and Aitken, with the earnings pattern reflecting the rapid volume build-up in the early years, then the gradual decline *through the 1980s as* production from the field begins *to taper off from 1980 onwards.* The interesting point is that the cash flow pattern is rather difference, reaching a peak very



early on in the life of the field —as early as 1978, in fact. But there will then follow a sharp dip in cash flow as loans are paid off up to 1980, and as corporation tax becomes payable in 1977 and petroleum revenue tax a year later.

Wood Mackenzie, however, suggest a rather different cash flow profile for the early years, largely because they assume loans of $1.4bn. will be entirely paid off in 1977 and 1978. On their basis the peak cash flow *year will be 1978—at around* 100p a share—falling back sharply in 1979 to around 40p a share as the big tax burden comes into play.

The total present value of the Forties field comes out at 288p a BP share according to WM, 258p according to Kitcat, against a price unchanged yesterday at 565p. But naturally these calculations are very sensitive to changes in the selling price of the oil, which in these cases is assumed to be in the range of $12 to $12.50 a barrel. And the discount rate, 10 per cent. in each instance, is something of a rule of thumb choice, though it certainly looks more sensible when the calculations are performed in terms of dollars rather than sterling.

For shareholders the significant points are that a major earnings impact—of something like 30p a share—should be achieved in 1977, while a strong, if somewhat erratic, net cash flow will build up as early as next year.

Chrysler

So far the problems of Chrysler U.K. have been discussed mainly *in the domestic* context, but the pressures on its parent form an important part of the story. Chrysler Corporation lost a net $232m. in the first nine months of this year, and although the final quarter is likely to look much better, net cash flow is still going to run *substantially below an overall* capital spend of maybe $400m. In 1974, the group spent $156m. more than it generated out of trading and long-term funding: one U.S. broker estimates that this figure will more than double this year, and that there will be a further sizeable drain in 1976 even on the assumption of a profits breakeven.

This will throw quite a burden on the balance sheet, where the latest losses appear to have cut tangible shareholders' funds to a little less than $2.4bn. Long-term debt last December totalled just under $1bn., and net short-term borrowings amounted to $665m. A year ago, the group converted $455m. of its U.S. credit lines into a revolving credit agreement which extends through to the first quarter of 1978.

Chrysler's losses stand in marked contrast to improving *trends at General Motors and* Ford, and unlike both these groups its shares stand well below their 1975 high.

The group is committed to providing whatever is necessary to finance its U.K. operations through 1975. But it would take a very substantial sum to refinance the balance sheet, where net worth after the half year losses has shrunk to under £10m. An extra £35m. of equity or something like it might, at a rough guess, do no more than reduce the debt:equity ratio to about 1:1. Moreover, the suggestion is that it could take a good £25m. to finance a new model, which Chrysler badly needs to check the decline in its U.K. market share. There is no way that this kind of money could be raised from private U.K. sources, while Chrysler and its bankers may feel a little hesitant about making major new commitments to a subsidiary which has lost nearly £40m. since 1970.

Burmah

It may be, as Burmah Oil was suggesting last night, that *other bidders for its U.S. assets* will be willing to come up with a more acceptable price than Reynolds, whose starting offer Burmah has now rejected as being an inadequate basis on which to begin detailed negotiations. Perhaps potential buyers who hoped to squeeze Burmah up against a December 31 deadline will come forward now that the company is in a position to indicate that the Bank of England will extend its guarantees on Burmah's dollar debt into next year.

But it is also possible that the group is simply not going to be able to obtain the kind of price it has wanted for its American operations. Meanwhile the various negotiations to limit the liabilities of the tanker side are also dragging on without tangible results since the Japan Line settlement in July. All that can be said is that, with cash pouring out into tankers and the North Sea, time is not on Burmah's side; but the shares were unchanged at 33p yesterday.

FMC

National Farmers' Union Development Trust has duly won the battle for control of the FMC Board. Yesterday shareholders representing around 37 per cent. of the 5.9m. shares *not held by the Trust turned* out to vote so here, once again, is a case where inertia has carried the day. Ignoring the Trust's interests, voting on the removal of the FMC chairman was nearly three to one against, while the vote for the retention of the dissident director, Mr. Robin Mills, produced a similar ratio in his favour.

Farmers win control of FMC Board

BY STEWART FLEMING

THE NATIONAL Farmers Union Development Trust yesterday gained control of the Board of FMC, Europe's biggest meat wholesaler, in the face of strong opposition from independent *shareholders.*

At the end of an acrimonious annual meeting Mr. David Darbishire, the chairman of the development trust, who now becomes chairman of FMC, conceded that the trust would not have succeeded in its attempt to vote four FMC directors off the Board had it not been able to wield the votes attached to its 40 per cent. shareholding in FMC.

Early in the meeting, shareholders on a show of hands voted against their Board's decision to terminate the appointment of Mr. Anson Payne, the executive chairman, with compensation of £205,000. They also voted against the election of Mr. Christopher Beauman, a development trust nominee, and in favour of re-electing to the Board, Mr. Robin Mills, a stockbroker who has been resisting the development trust's intervention in FMC's affairs.

In each case, however, Mr. E. de Grey Seaman, the deputy chairman, called for a poll of shareholders and the development trust was able to win approval for its proposals by using its 4.1m votes to defeat proxies of between 1.3m and 1.6m votes cast by other shareholders.

Asked whether, in view of the feelings expressed at the meeting and the results of the poll, the development trust would consider appointing an independent director, Mr Darbishire said that he did not feel any obligation to do this at the present time.

Mr. Robin Mills, the director who has most forcefully opposed the trust and was yesterday voted off the Board, said: "We are all wasting our time in the City having takeover codes and Hartley Shawcross, if this sort of thing is allowed to go through." He questioned whether FMC should now have a public stock exchange quotation at all.

There was a dramatic opening to the meeting when a shareholder, who refused to give his name, challenged the Board's decision taken just before the meeting, to elect Mr. De Grey Seaman chairman for the morning. The shareholdr pointed out that the articles of the company required that if present the company chairman, Mr. Payne, should preside. After consultations among directors, Mr. Payne left the room so that the meeting could take place.

In his absence, there was fierce criticism of the Board's decision to pay Mr. Payne such large compensation.

Criticism

It emerged in the course of the meeting that the man who is to replace Mr. Payne as senior executive director, Mr. J. G. Clarfelt, had himself previously left the company (in 1960) with £20,000 of compensation. Mr. Clarfelt pointed out, however, that his 15 year service agreement at that time was related to the sale of his family firm to FMC, and that he would not have a service contract this time

Protest by junior doctors continues

By Lorelies Olslager

JUNIOR HOSPITAL doctors in the North West last night confirmed the plans to step up protest action in the dispute over their new contracts to such a point next week that a number of hospitals will have to close and others will have to shut their casualty departments at night.

The 1,500 junior doctors in the North West are by far the most militant in the country and not satisfied with the proposal to pay overtime negotiated between the British Medical Association and the Government last week. But opposition to the deal is strong elsewhere and there was no sign yesterday that junior doctors were prepared to end to the unofficial industrial action which they have taken over the past two weeks to protest against the initial overtime proposal.

In the North West, junior doctors decided to work only a 40-hour week from 9 a.m. to 5 p.m., from next Monday during which they are prepared to treat emergency cases only. Consultant would have to treat emergencies at night. At least two hospitals are expected to close down because consultants cannot cope and many more will have to close casualty departments after 5 p.m. the junior doctors said.

This indicates that at least a strong minority will vote against the new formula in a nationwide ballot which the British Medical Association will hold of the 19,000 junior doctors later this month

Public funds

The ballot paper will ask them whether they are prepared to take industrial action in order to press for public funds to be made available for overtime pay in addition to the present £12m. bill, which the Government says cannot be exceeded under the counter-inflation policy.

The action is not specified, but junior doctors have already drawn up an emergency plan foreseeing various courses. Among the present strategy: treating emergency cases only.

● Donald Maclean adds:—Hospital consultants will meet at the BMA to-morrow to discuss *the recently announced Royal* Commission on the National Health Service and the Consultative Document on the separation of private practice from the health service.

Weather

U.K. TO-DAY

England, Wales: Dry with sunny spells after mist. N. Ireland, S. Scotland: Mainly dry with sunny spells. N. Scotland: Showers, bright intervals. Temperatures mostly near normal.

London, S.E., Cent. S. England, E. Anglia, Midlands
Dry with sunny spells after mist. Wind S.W., moderate. Near normal. Max. 17C (55F).

Channel Islands, S.W., N.W. England, Wales
Dry with sunny spells. Wind S.W., moderate. Near normal. Max. 12C (54F).

Cent. N., N.E. England
Dry with sunny spells after mist. Wind S.W. moderate. Near normal. Max. 11C (52F).

Lake District, Isle of Man, S.W. Scotland, Glasgow, Borders, Cent. Highlands, Argyll, N. Ireland
Mainly dry with sunny intervals. Wind S.W., fresh or strong. Near normal. Max. 11C (52F).

Rest of Scotland
Bright intervals, showers. Wind S.W., strong to gale. Near normal. Max. 9C (48F).

Outlook: Mainly dry in S., sunny spells after mist. Changeable further N., bright intervals and showers.

Lighting-up: London 16.59, Manchester 17.03, Glasgow 17.03, Belfast 17.14.

BUSINESS CENTRES

HOLIDAY RESORTS

Slater Walker Insurance 'held £24m. cash in mid-October'

BY MARGARET REID

LONDON INSURANCE brokers who met Mr Jimmy Goldsmith, the new chairman of Slater Walker Securities last week, have received a paper showing that in mid-October the group's *insurance* company held some £24m. cash

Circulation of the paper, and the top-level meeting with many leading insurance brokers, represent an energetic drive to bolster confidence in Slater Walker Insurance in the wake of the dramatic changes involving Mr. Jim Slater's departure.

Brokers have also been told that a separate investment com*mittee for the insurance company* is to be set up as a matter of extreme urgency, and that Hambros Bank and N. M. Rothschild and Sons, whose chairman both now sit on the SWS Board, will be represented on it.

An outside representative is also to be appointed as a member of the new committee, on which Slater Walker Investments will have one representative and the insurance company two members. It is thought in the market that a quest is on for a senior City personality to succeed Mr. Slater as chairman of Slater Walker Insurance.

It also became clear yesterday that intensive discussions are continuing about possible renegotiation and reduction of the £14m. ($29m.) loan which is outstanding from SWS to Haw Par Brothers International, the Singapore concern it formerly controlled. The loan was originally taken in relation to Haw Par's purchase two years ago of SWS's large stake in Slater Walker (Hong Kong), a deal much criticised in the East.

Haw Par seeks a reduction of a third or more in the loan, but the present view on the SWS side appears to be that more study is needed before negotiation by the present SWS Board. It is certainly possible that somebody senior from SWS will go to Singapore to take part in negotiations.

S. Africa sale

Lubok Investments, where Mr. Slater has also been succeeded as chairman by Mr. Goldsmith, said yesterday that in a £1.56m. cash deal it was selling its 55 per cent. stake of 1.88m. shares in the South African investment concern S.A. Selected Holdings at 150 cents a share. The buyer is Trump Securities (Proprietary), a private investment concern, which will bid similarly for the rest of the shares.

At Lubok the disposal is seen as a sequel to the departure of Mr. Slater, who felt a special interest in South Africa. The price obtained is below the 235c at which Salect shares were recently suspended (pending merger talks with Woolfsons, controlled by E. and J. Trump, who control Trump Securities); some 25 per cent. above asset value.

Insurance brokers have also been told in the SWS document that the total value of Slater Walker Insurance's investments at mid-October was £63.6m., while the company's total liabilities for long-term life insurance business were £55m., including £30.6m. on guaranteed bonds.

Of the £63.6m. of investments, 38.6 per cent. was in cash (88 per cent. of it with one of the Big Four clearing banks), 36.5 per cent. in fixed interest stocks, and 16.5 per cent. in property. The rest was in ordinary shares (4.9 per cent.) and mortgages (3.5 per cent.).

The insurance company is described as a separate legal entity within SWS. It was founded in 1968 and has therefore been subject from the start to the extended Department of Trade powers and controls. As to the life funds, the actuary is said to have stated that an approximate valuation of the liabilities on a basis more stringent than that required by the Department of Tarde showed total assets well in excess of liabilities.

Mr. Victor Cannock has resigned as managing director of Slater Walker Finance Coropration, the instalment credit concern which was sold by SWS in March to First Fortune Holdings, a subsidiary of the U.S. group Commercial Credit Corporation.

Mr. Cannock said yesterday that the resignation was due to "differences in outlook and work style." It was unconnected with recent events at SWS.

Continued from Page 1

Lords defiant over Press Bill

Lon, said he remained convinced *that a compromise could still* be reached between the Lords and the Government, but this is not a view shared by Tory leaders. They see little prospect of the measure now becoming law this session.

Lord Goodman's amendment which suggests that a breach of the charter should be "deemed contrary to public policy" and that nothing in the charter should restrict common law rights was also opposed by the Government, but was accepted overwhelmingly by 138 votes to 58.

Lord Goodman gave his support to the Hailsham amendments and the Conservatives were backing Lord Goodman's proposals, although each thought his own formula for ensuring some legal backing to the charter was the more effective.

Lord Hailsham's proposals introduce the law more overtly into the Press charter provisions but the Government is probably even more wary of the Goodman plan on the grounds that it might mean a series of damaging test cases in the courts designed to build up a body of common law to protect the rights of editors and journalists.

Lord Elwyn Jones argued that both proposals would conflict with the conciliatory role the new charter supervisory body would have. In his opinion to introduce a legal element would "wreck relations in the newspaper industry and damage the whole running of Fleet Street."

He also found the financial implications of the Conservative amendments deeply disturbing for trade unions editors and other journalists. A legally backed body would prejudice prospects for the charter from the outset.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.